

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING


FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-13826	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: UNIT #891008900A	
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE L.P.				9. WELL NAME and NUMBER: NBU 1021-2J	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078				PHONE NUMBER: (435) 781-7024	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1868'FSL, 1998'FEL AT PROPOSED PRODUCING ZONE:				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 10S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 15.8 MILES SOUTH OF OURAY, UTAH				12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1868'		16. NUMBER OF ACRES IN LEASE: 160.00		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C		19. PROPOSED DEPTH: 9,400		20. BOND DESCRIPTION: RLB0005237	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5090'GL		22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION:	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	9 5/8	H-40	32.3#	2,200	265 SX CLASS G	1.18 YIELD	15.6 PPG
7 7/8"	4 1/2	I-80	11.6#	9,400	1930 SX 50/50 POZ	1.31 YIELD	14.3 PPG

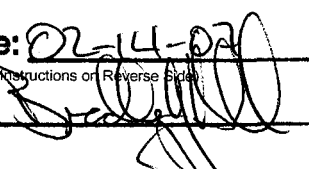
25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE REGULATORY ANALYST
SIGNATURE  DATE 11/7/2006
(This space for State use only)

Approved by the
Utah Division of
Oil, Gas and Mining
NOV 13 2006
DIV. OF OIL, GAS & MINING

API NUMBER ASSIGNED: 43-047-38844

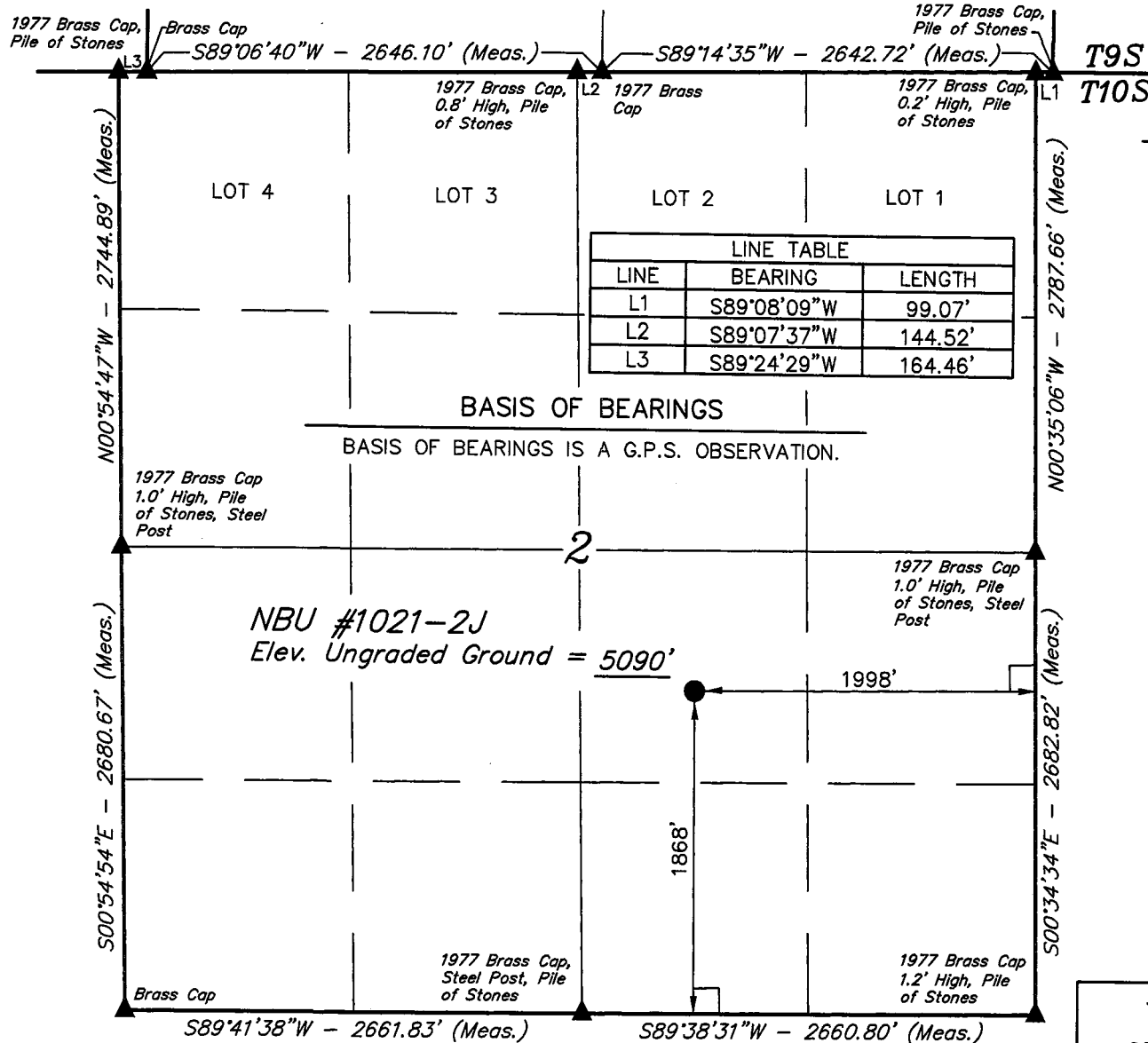
APPROVAL:

Date: 02-14-07
(See Instructions on Reverse Side)
By: 

T10S, R21E, S.L.B.&M.

Kerr-McGee Oil & Gas Onshore LP

Well location, NBU #1021-2J, located as shown in the NW 1/4 SE 1/4 of Section 2; T10S, R21E, S.L.B.&M. Uintah County, Utah.



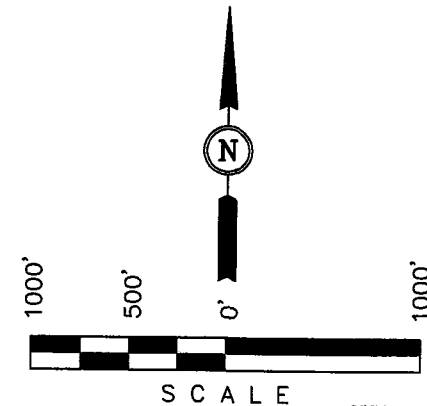
LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 39°58'31.44" (39.975400)
 LONGITUDE = 109°31'00.53" (109.516814)
 (NAD 27)
 LATITUDE = 39°58'31.57" (39.975436)
 LONGITUDE = 109°30'58.06" (109.516128)

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROBERT L. [Signature]
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 09-14-06	DATE DRAWN: 09-18-06
PARTY J.W. A.A. S.L.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

**NBU 1021-2J
NWSE SEC. 2, T10S, R21E
UINTAH COUNTY, UTAH
ML-13826**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1325'
Top of Birds Nest Water	1606'
Mahogany	2240'
Wasatch	4569'
Mesaverde	7274'
MVU2	8190'
MVL1	8798'
TD	9400'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	1325'
	Top of Birds Nest Water	1606'
	Mahogany	2240'
Gas	Wasatch	4569'
Gas	Mesaverde	7274'
Gas	MVU2	8190'
Gas	MVL1	8798'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. Evaluation Program:

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 9400' TD, approximately equals 5828 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3760 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP **DRILLING PROGRAM**

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE November 7, 2006
 WELL NAME NBU 1021-2J TD 9,400' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,090' GL KB 5,105'
 SURFACE LOCATION NWSE SEC. 2, T10S, R21E 1868'FSL, 1998'FEL BHL Straight Hole
 Latitude: 39.975400 Longitude: 109.516814
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: UDOGM (SURF & MINERALS), BLM, Tri-County Health Dept.

GEOLOGICAL FORMATION			MECHANICAL		
LOGS	TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to 4,569'					
	Green River @	1,325'			
	Top of Birds Nest Water @	1606'			
	Preset f/ GL @				
	2,200' MD				
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
	Mahogany @	2,240'			
Mud logging program TBD Open hole logging program f/ TD - surf csg					
	Wasatch @	4,569'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.5 ppg
	Mverde @	7,274'			
	MVU2 @	8,190'			
	MVL1 @	8,798'			
					Max anticipated Mud required 11.5 ppg
		TD @ 9,400'			



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 2200	32.30	H-40	STC	0.64*****	1.33	4.08
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 9400	11.60	I-80	LTC	2.19	1.13	2.11

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
- 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
- (Burst Assumptions: TD = 11.5 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
- MASP 3553 psi

***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE		NOTE: If well will circulate water to surface, option 2 will be utilized					
Option 2	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,060'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	440	60%	11.00	3.38
	TAIL	5,340'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1490	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

DATE:

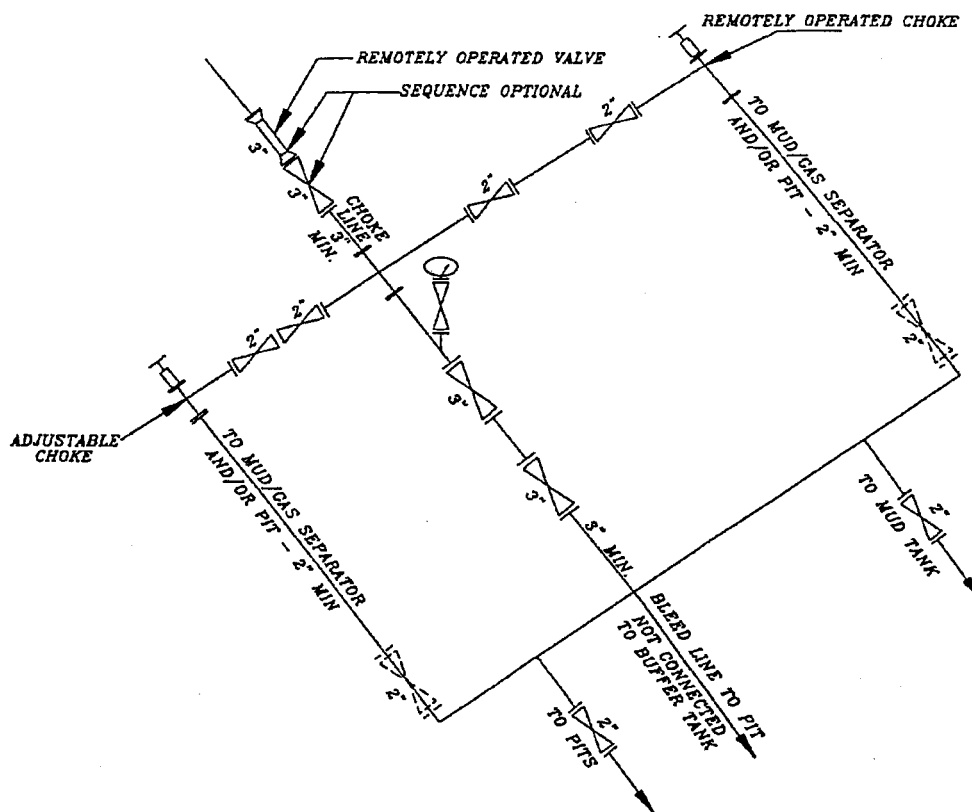
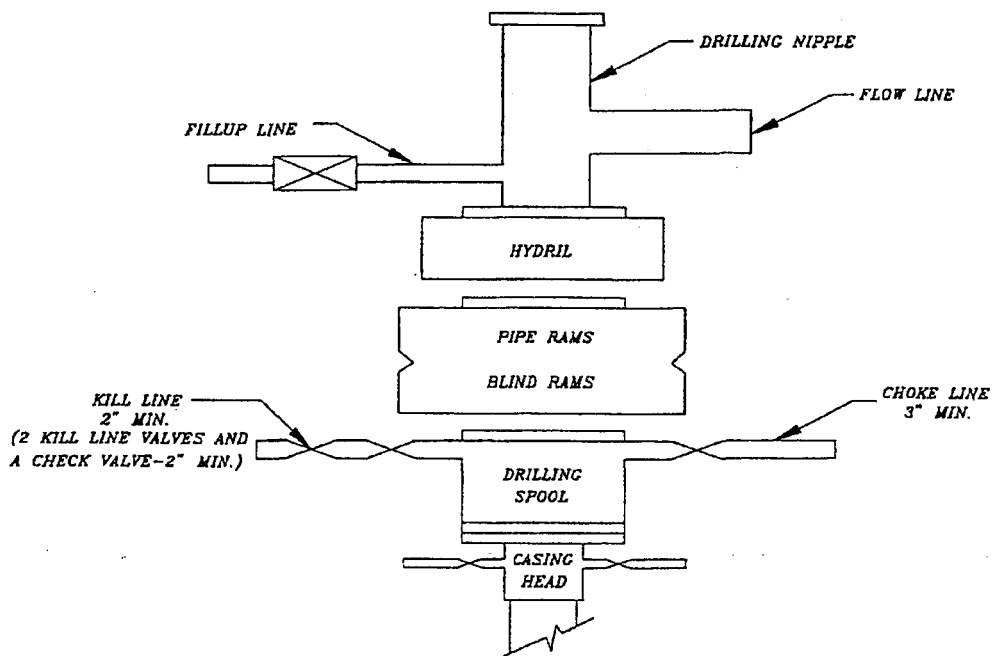
DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

NBU1021-2J DHD.xls

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**NBU 1021-2J
NWSE SEC. 2, T10S, R21E
Uintah County, UT
ML-13826**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 290' +/- miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain

fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 291' +/- of 4" pipeline is proposed from the location to an tie-in point. Refer to Topo Map D.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will

be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

8. Ancillary Facilities:

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

10. **Plans for Reclamation of the Surface:**

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. Surface Ownership:

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East.
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

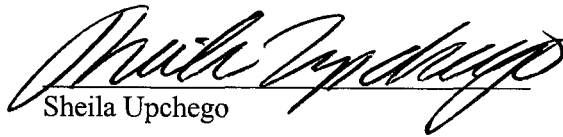
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego

11/7/2006
Date

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-2J

SECTION 2, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 2.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.0 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 290' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 46.8 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-2J

LOCATED IN UTAH COUNTY, UTAH
SECTION 2, T10S, R21E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW EXISTING ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

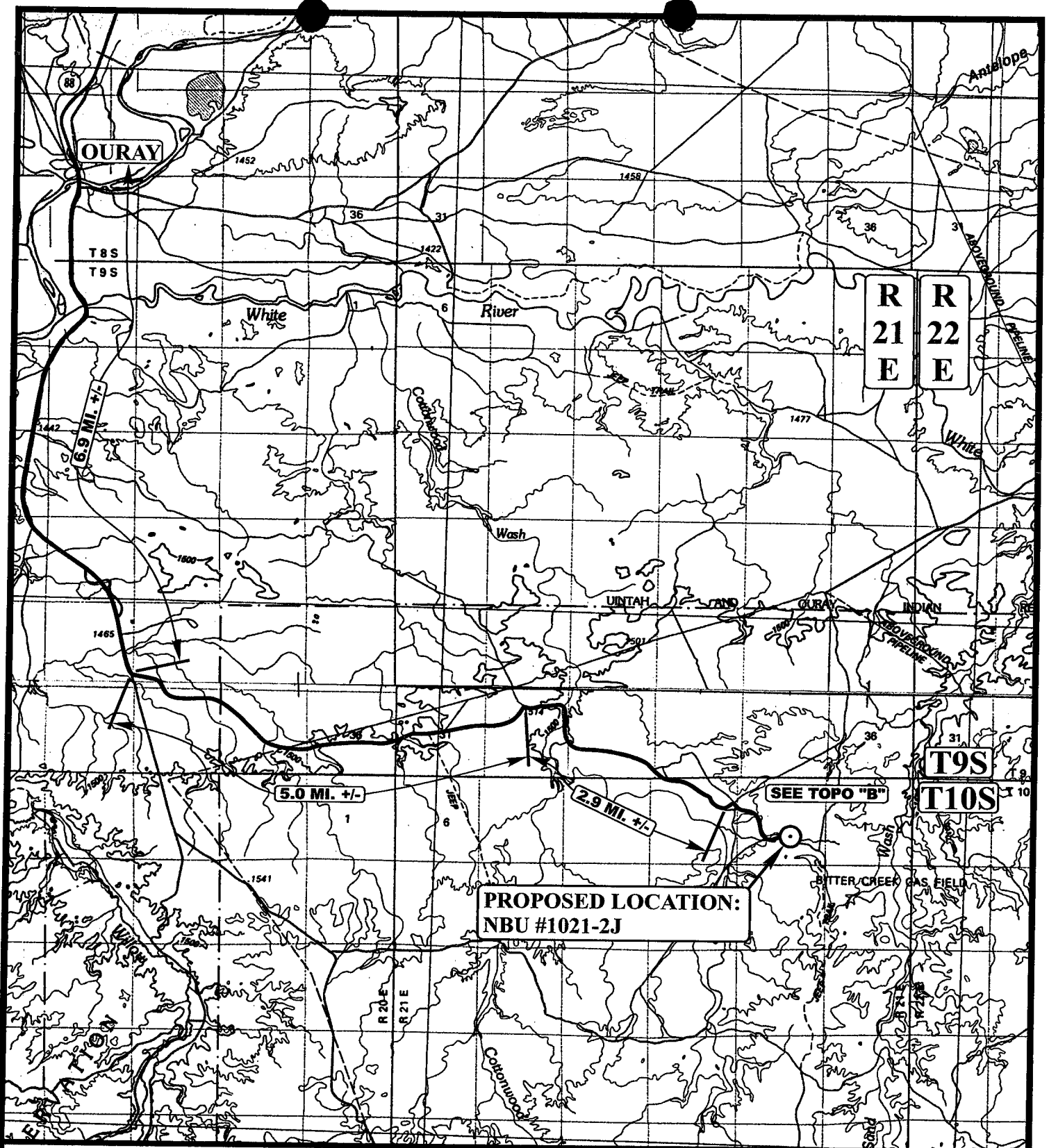
09 **19** **06**
MONTH DAY YEAR

PHOTO

TAKEN BY: J.W.

DRAWN BY: C.P.

REVISED: 00-00-00



LEGEND:

○ PROPOSED LOCATION

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-2J

SECTION 2, T10S, R21E, S.L.B.&M.

1868' FSL 1998' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

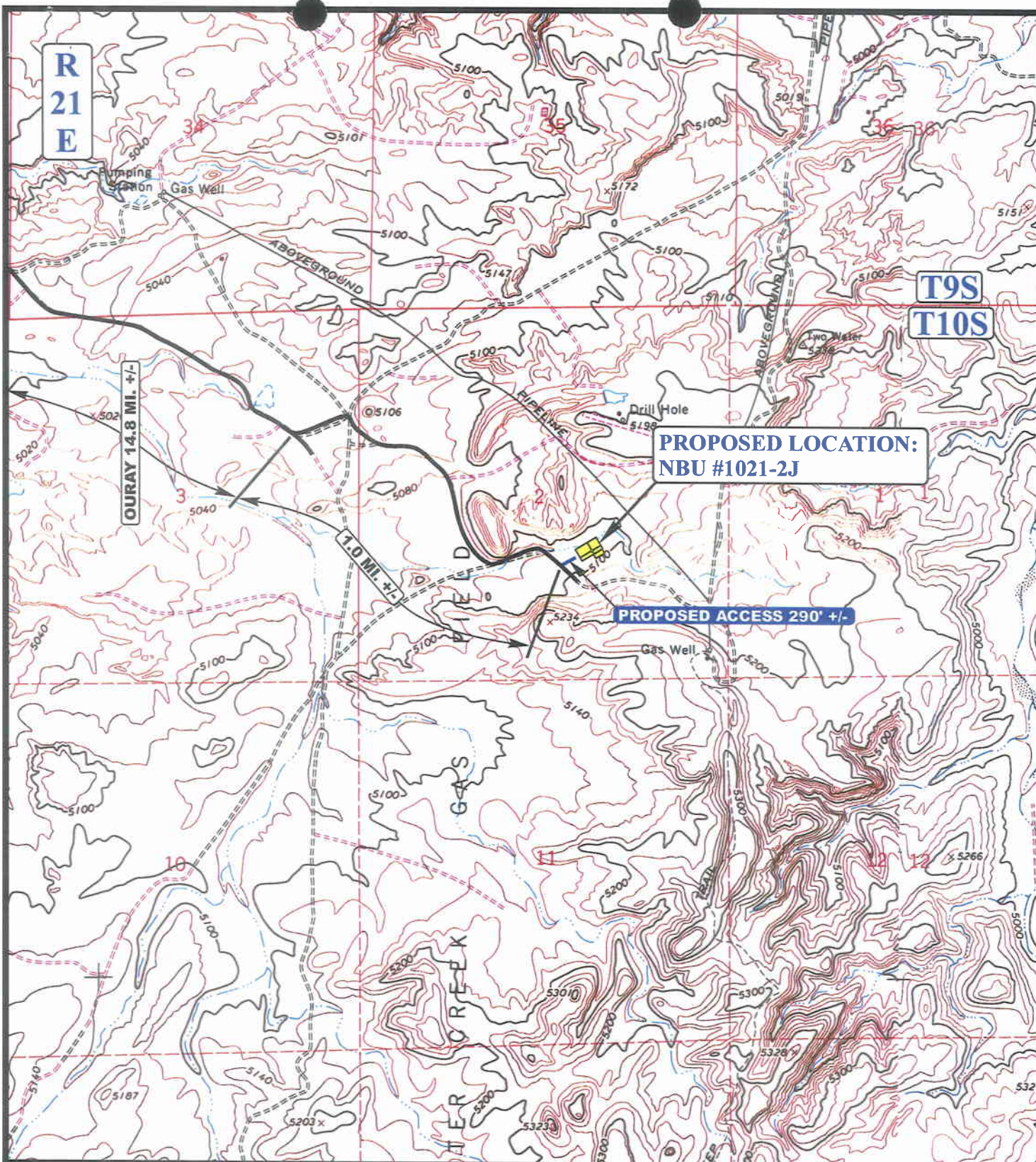
09 **19** **06**
 MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: C.P.

REVISED: 00-00-00





LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

NBU #1021-2J

SECTION 2, T10S, R21E, S.L.B.&M.

1868' FSL 1998' FEL



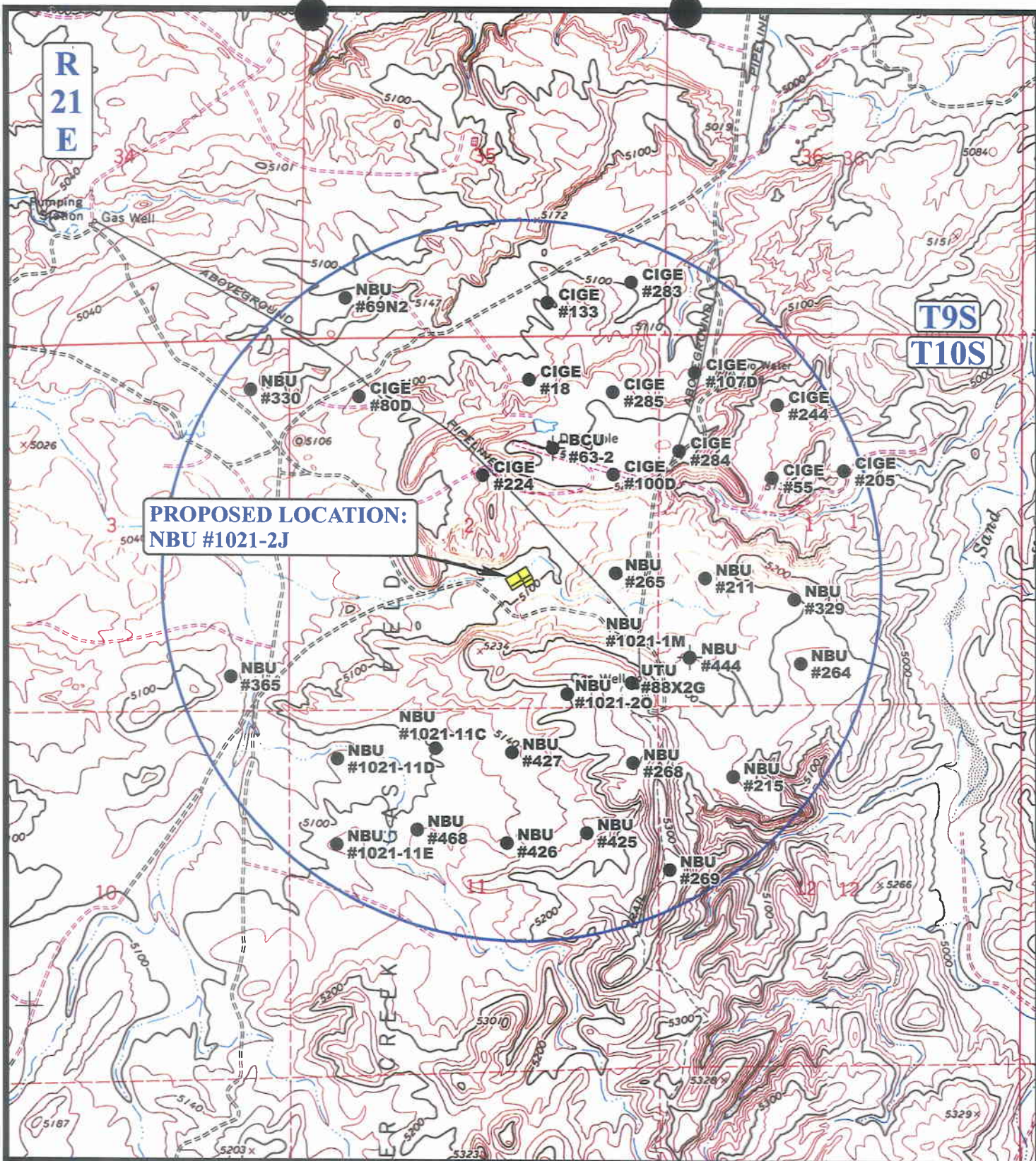
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

09 19 06
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00

B
 TOPO



LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ⊗ WATER WELLS |
| ● PRODUCING WELLS | ⊕ ABANDONED WELLS |
| ⊖ SHUT IN WELLS | ⊖ TEMPORARILY ABANDONED |

N

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-2J

SECTION 2, T10S, R21E, S.L.B.&M.

1868' FSL 1998' FEL



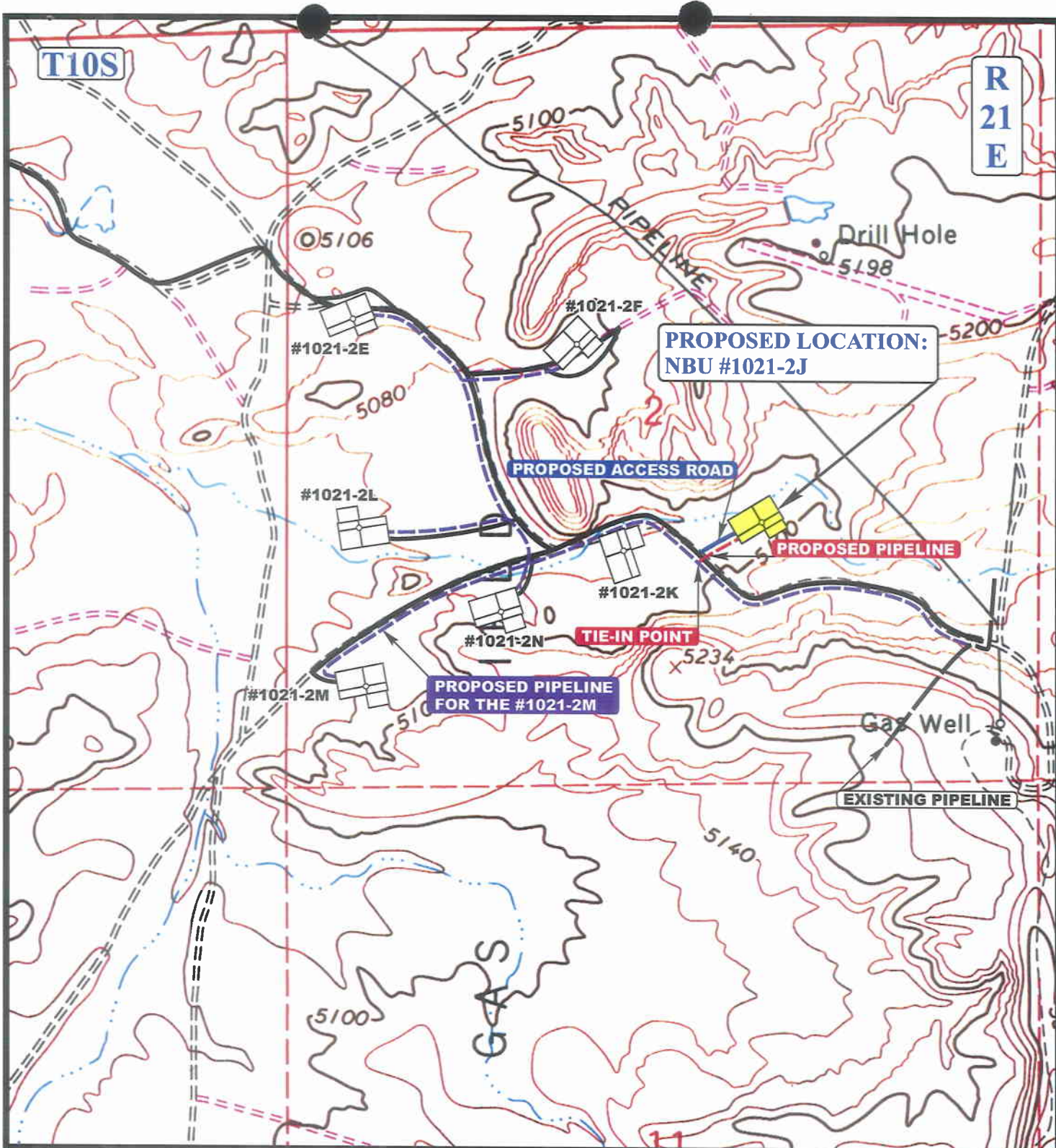
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

09 19 06
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 291' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- PROPOSED PIPELINE
- - - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)



Kerr-McGee Oil & Gas Onshore LP

NBU #1021-2J

SECTION 2, T10S, R21E, S.L.B.&M.

1868' FSL 1998' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

09 19 06
MONTH DAY YEAR

SCALE: 1" = 1000'

DRAWN BY: C.P.

REVISED: 00-00-00



Kerr-McGee Oil & Gas Onshore LP

NBU #1021-2J

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 2, T10S, R21E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS

09 19 06
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: C.P.

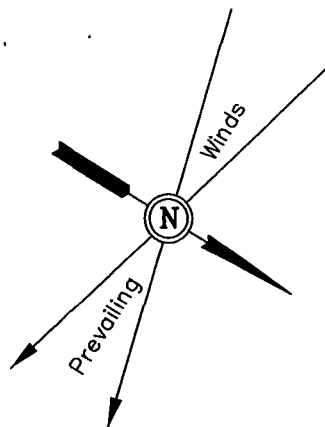
REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR

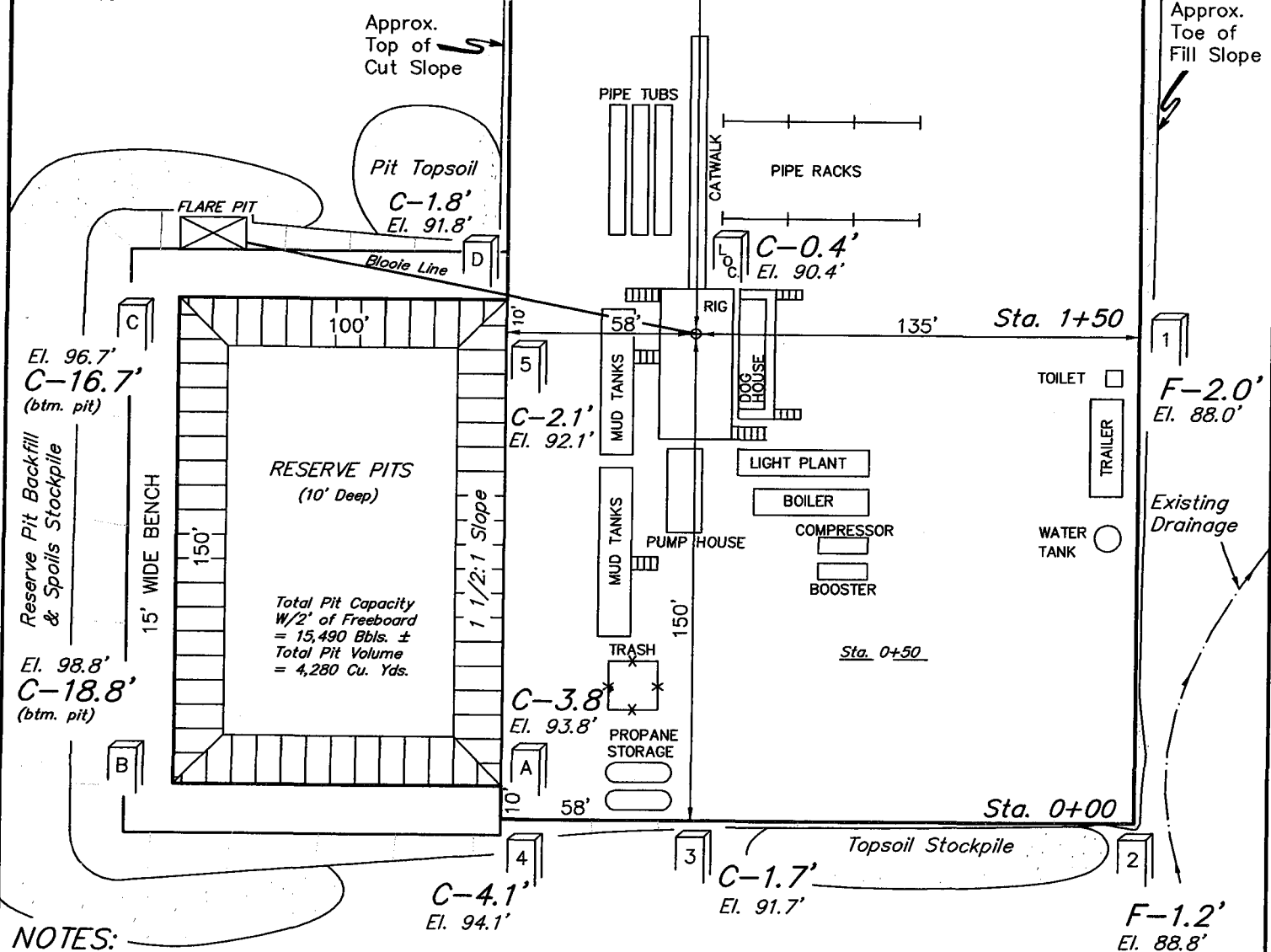
NBU #1021-2J
SECTION 2, T10S, R21E, S.L.B.&M.
1868' FSL 1998' FEL



SCALE: 1" = 50'
DATE: 09-18-06
Drawn By: S.L.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5090.4'
FINISHED GRADE ELEV. AT LOC. STAKE = 5090.0'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR

NBU #1021-2J

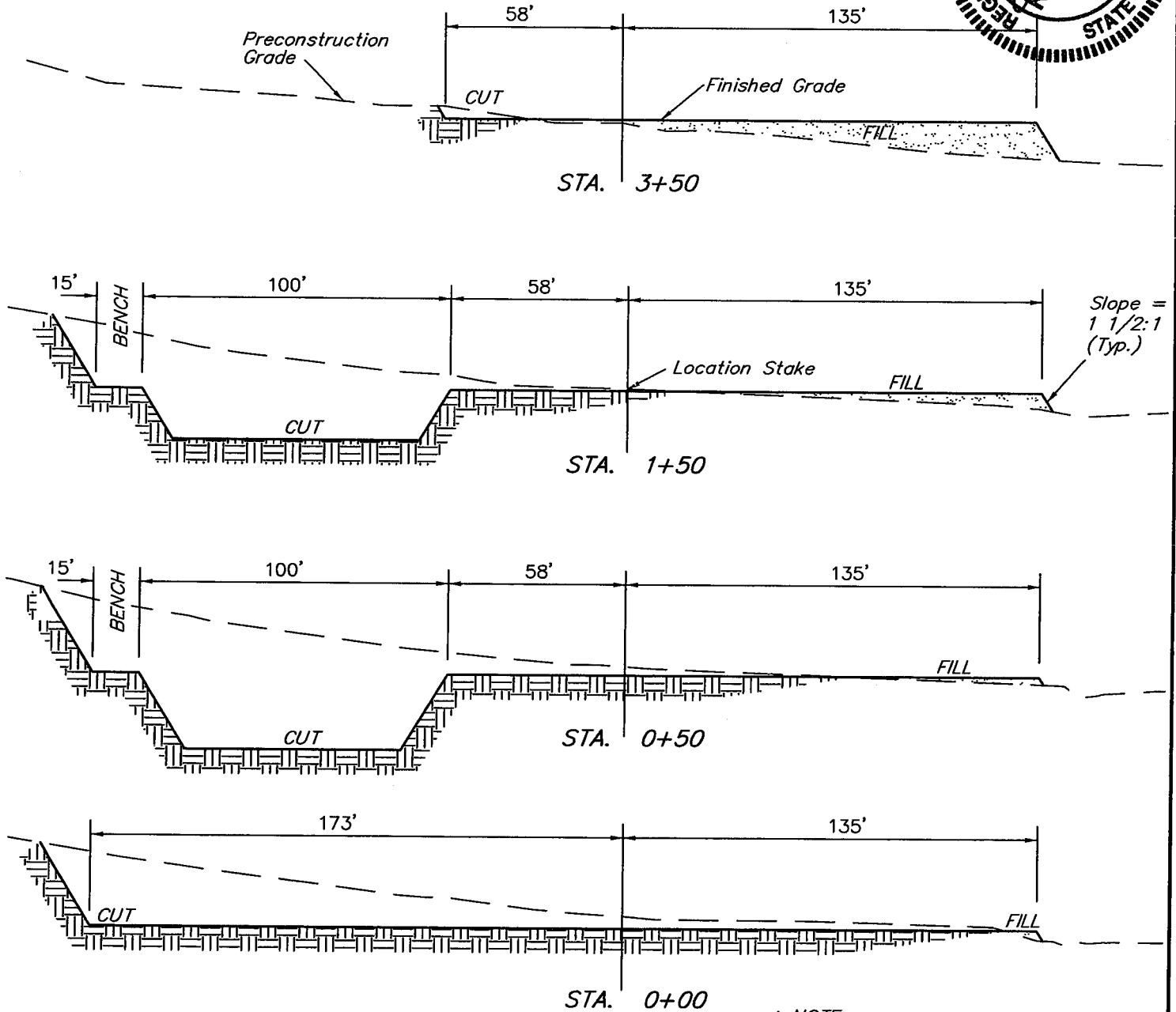
SECTION 2, T10S, R21E, S.L.B.&M.

1868' FSL 1998' FEL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 09-18-06

Drawn By: S.L.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,830 Cu. Yds.
Remaining Location = 9,230 Cu. Yds.
TOTAL CUT = 11,060 CU.YDS.
FILL = 3,420 CU.YDS.

EXCESS MATERIAL = 7,640 Cu. Yds.
Topsoil & Pit Backfill = 3,970 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 3,670 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/13/2006

API NO. ASSIGNED: 43-047-38844

WELL NAME: NBU 1021-2J

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 435-781-7024

CONTACT: SHEILA UPCHEGO

PROPOSED LOCATION:

NWSE 02 100S 210E

SURFACE: 1868 FSL 1998 FEL

BOTTOM: 1868 FSL 1998 FEL

COUNTY: UINTAH

LATITUDE: 39.97538 LONGITUDE: -109.5161

UTM SURF EASTINGS: 626719 NORTHINGS: 4425869

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

Drd

12/28/06

Geology

Surface

LEASE TYPE: 3 - State

LEASE NUMBER: ML-13826

PROPOSED FORMATION: WSMVD

SURFACE OWNER: 3 - State

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 22013542)

N Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. 43-8496)

N RDCC Review (Y/N)
(Date: _____)

NA Fee Surf Agreement (Y/N)

NA Intent to Commingle (Y/N)

LOCATION AND SITING:

 R649-2-3.

Unit: _____

 R649-3-2. General

Siting: 460' From Qtr/Qtr & 920' Between Wells

 R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 173-14

Eff Date: 12-2-1999

Siting: 460' fr wldry & uncomm. tracts

 R649-3-11. Directional Drill

COMMENTS:

Needs Permit (11-17-06)

STIPULATIONS:

1- OIL SHALE

2- STATEMENT OF BASIS

3- surf log Cont Strip

NATURAL BUTTES FIELD NATURAL BUTTES UNIT

CAUSE: 173-14 / 12-2-1999

NBU 69N2

CIGE 283

MORGAN
STATE 14-36

CIGE 236

CIGE 83

T9S R21E

T10S R21E

NBU 1021-2C
CIGE 246-2-10-21

CIGE 18

CIGE 107D

NBU 330

CIGE 80D

CIGE 285

NBU
1021-3H

NBU
1021-2E

CIGE
169-2-10-21

CIGE 224
BHL
224

BITTER
CREEK U 63-2

CIGE 284

CIGE 100D

NBU
1021-2F

2

NBU
1021-2L

NBU
1021-2K

NBU
1021-2J

NBU 265

NBU 211

NBU 8

NBU
1021-2N

NBU
1021-2M

NBU 444
NBU 1021-1M
(RIGSKID)

NBU 365

NBU
1021-2O

UTE TRAIL
U 88X2G

NBU
1021-11D

NBU
1021-11C

NBU 427

NBU 268
BHL
268

CIGE 57

OPERATOR: KERR MCGEE O&G (N2995)

SEC: 2 T.10S R. 21E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

Field Status
 ABANDONED
 ACTIVE
 COMBINED
 INACTIVE
 PROPOSED
 STORAGE
 TERMINATED

Unit Status
 EXPLORATORY
 GAS STORAGE
 NF PP OIL
 NF SECONDARY
 PENDING
 PI OIL
 PP GAS
 PP GEOTHERML
 PP OIL
 SECONDARY
 TERMINATED

Wells Status

GAS INJECTION
 GAS STORAGE
 LOCATION ABANDONED
 NEW LOCATION
 PLUGGED & ABANDONED
 PRODUCING GAS
 PRODUCING OIL
 SHUT-IN GAS
 SHUT-IN OIL
 TEMP. ABANDONED
 TEST WELL
 WATER INJECTION
 WATER SUPPLY
 WATER DISPOSAL
 DRILLING



PREPARED BY: DIANA MASON
DATE: 16-NOVEMBER-2006

Application for Permit to Drill

Statement of Basis

12/26/2006

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM			
163	43-047-38844-00-00		GW	S	No			
Operator	KERR-MCGEE OIL & GAS ONSHORE, LP		Surface Owner-APD					
Well Name	NBU 1021-2J	Unit						
Field	UNDESIGNATED	Type of Work						
Location	NWSE 2 10S 21E S 0 FL 0 FL GPS Coord (UTM) 626719E 4425869N							

Geologic Statement of Basis

Kerr McGee proposes to set 2,200' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,600'. A search of Division of Water Rights records shows one water well within a 10,000 foot radius of the center of section 2. The well is approximately .5 miles from the proposed location. It produces from a depth of 2,640 and is listed as being used for oil field drilling water. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought to above the base of the moderately saline groundwater in order to isolate it from fresher waters uphole.

Brad Hill
APD Evaluator

12/26/2006
Date / Time

Surface Statement of Basis

The surface and minerals of the site are both owned by SITLA. Mr. Jim Davis of SITLA was invited to the Pre-site but bad weather prevented him from attending. The location appears to be suitable site for drilling and operating a well.

The general area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 18 miles southeast of Ouray, Utah. Access is by State of Utah Highways, Uintah County and oilfield development roads a distance of 51 miles from Vernal, UT.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 3 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

This location is in a sparsely vegetated bottom which has a slight slope to the south. A ledge rock bench is located to the east with a higher ridge to the west with exposed sandstone rim-rock. 291 feet of new road will be required.

Floyd Bartlett
Onsite Evaluator

11/17/2006
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, LP
Well Name NBU 1021-2J
API Number 43-047-38844-0 **APD No** 163 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NWSE **Sec** 2 **Tw** 10S **Rng** 21E 0 FL 0 FL
GPS Coord (UTM) 626715 4425874 **Surface Owner**

Participants

Floyd Bartlett (DOGM), Ben Williams (Utah Division of Wildlife Resources), Carroll Estes (Kerr McGee), David Kay (UELS).

Regional/Local Setting & Topography

The general area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 18 miles southeast of Ouray, Utah. Access is by State of Utah Highways, Uintah County and oilfield development roads a distance of 51 miles from Vernal, UT.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 3 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

This location is in a sparsely vegetated bottom which has a slight slope to the south. A ledge rock bench is located to the east with a higher ridge to the west with exposed sandstone rim-rock. 291 feet of new road will be required.

Surface Use Plan

Current Surface Use

Wildlife Habitat

Grazing

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.05	Width 308	Length 350	

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

The location is somewhat barren. A sparse vegetative cover of spiny hopsage, horsebrush, mustard weed and cheat grass exists. Antelope, rabbits, small reptiles, birds and mammals. Sheep graze the area in the winter

Soil Type and Characteristics

Deep sandy loam with no surface rock.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources?

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
Final Score		25 1 Sensitivity Level

Characteristics / Requirements

150' by 100' and 10' deep. The reserve pit is all within cut on the south east side of the location. A 15' wide bench is planned around the outer edges and 2' of freeboard.

A pit liner is required. Kerr McGee lines all pits with a 20 mil liner and a felt sub-liner.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 20 Pit Underlayment Required? Y

Other Observations / Comments

The surface and minerals of the site are both owned by SITLA. Mr. Jim Davis of SITLA was invited to the Pre-site but bad weather prevented him from attending. The location appears to be suitable site for drilling and operating a well.

Ben Williams represented the Utah Division of Wildlife Resources. He stated that no wildlife values would be significantly affected by drilling a well at this location. He provided Mr. Estes with a summary of his wildlife evaluations and a UDWR recommended seed mix to use when revegetating the site.

Floyd Bartlett
Evaluator

11/17/2006
Date / Time

Casing Schematic

Surface

BHP
 $0.052(9400)11.5 = 5621 \text{ psi}$
 anticipate - 5828 psi

Ans
 $.12(9400) = 1128$
 $5621 - 1128 = 4493 \text{ psi, MASP}$
 anticipate 3760 psi

BOPE - 5M ✓

9-5/8"
 MW 8.4
 Frac 19.3

Burst 2270

70% - 1596 psi ("csg strength
 → formation strength")

Max P @ surf. shoe

$.22(7200) = 1584$
 $5621 - 1584 = 4037 \text{ psi}$

test to 1596 psi ✓

Slip ⇒ surf csg ✓
 " cmt

✓ Adequate
 12/28/06

4-1/2"
 MW 11.5

1270
 1870

TOC @ 0.

Uinta

TOC @ to surf w/ 4% w/o
 841.

1325'

Green River

1606'

Bird's Nest Water
 *5 to P ✓

2240'

Surface Mahogany
 2200. MD

3600' ± BMSW

4569'

Wasatch

7274'

Mesaverde

8190'

MV U2

8798'

MV L1

Production
 9400. MD

Well name:

2006-12 Kerr McGee NBU 1021-2JOperator: **Kerr McGee Oil & Gas Onshore, LP**String type: **Surface**

Project ID:

43-047-38844Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: 8.400 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 106 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 841 ft

BurstMax anticipated surface
pressure: 1,936 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,200 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 1,929 ft

Non-directional string.**Re subsequent strings:**Next setting depth: 9,400 ft
Next mud weight: 11,500 ppg
Next setting BHP: 5,616 psi
Fracture mud wt: 19,250 ppg
Fracture depth: 2,200 ft
Injection pressure: 2,200 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2200	9.625	32.30	H-40	ST&C	2200	2200	8.876	972.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	960	1370	1.427	2200	2270	1.03	62	254	4.08 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & MineralsPhone: (801) 538-5357
FAX: (801) 359-3940Date: December 27, 2006
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 2200 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

2006-12 Kerr McGee NBU 1021-2JOperator: **Kerr McGee Oil & Gas Onshore, LP**String type: **Production**

Project ID:

43-047-38844Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: 11.500 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 207 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

BurstMax anticipated surface
pressure: 3,548 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 5,616 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)**Non-directional string.**

Tension is based on buoyed weight.

Neutral point: 7,784 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9400	4.5	11.60	I-80	LT&C	9400	9400	3.875	820.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5616	6360	1.133	5616	7780	1.39	90	212	2.35 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & MineralsPhone: (801) 538-5357
FAX: (801) 359-3940Date: December 27, 2006
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 9400 ft, a mud weight of 11.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

November 22, 2006

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2006 Plan of Development Natural Buttes Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Natural Buttes Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
------	-----------	----------

(Proposed PZ Wasatch/MesaVerde)

43-047-38838	NBU 1021-2E	Sec 2 T10S R21E 2068 FNL 0471 FWL
43-047-38839	NBU 1021-2F	Sec 2 T10S R21E 2271 FNL 2090 FWL
43-047-38840	NBU 1021-2N	Sec 2 T10S R21E 1253 FSL 1545 FWL
43-047-38841	NBU 1021-2M	Sec 2 T10S R21E 0730 FSL 0576 FWL
43-047-38842	NBU 1021-2K	Sec 2 T10S R21E 1682 FSL 2432 FWL
43-047-38843	NBU 1021-2L	Sec 2 T10S R21E 1849 FSL 0520 FWL
43-047-38844	NBU 1021-2J	Sec 2 T10S R21E 1868 FSL 1998 FEL
43-047-38851	State 1022-250	Sec 25 T10S R22E 1274 FSL 2121 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:11-22-06

From: Ed Bonner
To: Mason, Diana
Date: 2/14/2007 9:50 AM
Subject: The following wells have been given cultural resource clearance by the Trust Lands Cultural Resource

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil; sheila.upchego...
The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Kerr McGee Oil & Gas Onshore LP
NBU 1022-7H-4 (API 43 047 38570)
NBU 1021-2E (API 43 047 38838)
NBU 1021-2F (API 43 047 38839)
NBU 1021-2M (API 43 047 38841)
NBU 1021-2K (API 43 047 38842)
NBU 1021-2L (API 43 047 38843)
NBU 1021-2J (API 43 047 38844)
NBU 1021-36D (API 43 047 38845)
NBU 1021-36E (API 43 047 38846)
NBU 1021-36F (API 43 047 38847)
NBU 1021-36N (API 43 047 38848)
NBU 1021-36K (API 43 047 38849)
NBU 1021-36C (API 43 047 38850)
NBU 1021-1G (API 43 047 39001)
NBU 1021-1O (API 43 047 39002)
NBU 1021-1P (API 43 047 39003)
NBU 1021-30I (API 43 047 39020)
NBU 1021-30J (API 43 047 39021)
NBU 1021-30K (API 43 047 39022)
NBU 1021-30L (API 43 047 39023)
NBU 1021-30M (API 43 047 39024)
NBU 1021-30N (API 43 047 39025)

If you have any questions regarding this matter please give me a call.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 14, 2007

Kerr-McGee Oil & Gas Onshore LP
1368 S 1200 E
Vernal, UT 84078

Re: NBU 1021-2J Well, 1868' FSL, 1998' FEL, NW SE, Sec. 2, T. 10 South,
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38844.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: **Uintah County Assessor (via e-mail)**
Bureau of Land Management, Vernal District Office
SITLA

Operator: Kerr-McGee Oil & Gas Onshore LP
Well Name & Number NBU 1021-2J
API Number: 43-047-38844
Lease: ML-13826

Location: NW SE Sec. 2 T. 10 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office
(801) 733-0983 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office
(801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
7. Surface casing shall be cemented to the surface.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410



IN REPLY REFER TO:

3160

UT08300

March 22, 2007

Ramey Hoopes
Kerr-McGee Oil & Gas Onshore, LP
1368 South 1200 East
P.O. Box 1148
Vernal, Utah 84078

Re Application for Permit to Drill
NBU 1021-2E;
NBU 1021-2F;
NBU 1021-2J;
NBU 1021-2K;
NBU 1022-2L;
NBU 1021-2M
SITLA Surface Ownership

Dear Ms. Hoopes:

Enclosed are your copies of the above State referenced APDs which we have accepted for Unit purposes.

If you have any questions, please contact me at (435) 781-4422.

Sincerely,

//s// Phyllis Phillips
Legal Instruments Examiner

Enclosures

cc: Well File
Reading File
Division of Oil-Gas-Mining

RECEIVED
MAR 30 2007
DIV. OF OIL, GAS & MINING

RECEIVED

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

NOV 09 2006

FORM 3

AMENDED REPORT ☐
(highlight changes)

BLM

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML-13826	6. SURFACE: State
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE L.P.		8. UNIT or CA AGREEMENT NAME: UNIT #891008900A	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078		9. WELL NAME and NUMBER: NBU 1021-2J	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1868'FSL, 1998'FEL AT PROPOSED PRODUCING ZONE: 43,047.38844		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 15.8 MILES SOUTH OF OURAY, UTAH		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 10S 21E	12. COUNTY: UINTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1868'		16. NUMBER OF ACRES IN LEASE: 160.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C		19. PROPOSED DEPTH: 9,400	20. BOND DESCRIPTION: RLB0005237
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5090'GL		22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION:

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4"	9 5/8 H-40 32.3#	2,200	265 SX CLASS G 1.18 YIELD 15.6 PPG
7 7/8"	4 1/2 I-80 11.6#	9,400	1930 SX 50/50 POZ 1.31 YIELD 14.3 PPG

ATTACHMENTS

25. VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☒ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☒ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- ☒ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE

DATE 11/7/2006

(This space for State use only)

API NUMBER ASSIGNED: _____

APPROVAL:

ACCEPTED BY BLM FOR
UNIT PURPOSES ONLY
RECEIVED

MAR 30 2007

DIV. OF OIL, GAS & MINING

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: KERR-McGEE OIL & GAS ONSHORE, LP

Well Name: NBU 1021-2J

Api No: 43-047-38844 Lease Type: STATE

Section 02 Township 10S Range 21E County UINTAH

Drilling Contractor PETE MARTIN DRILLING RIG # RATHOLE

SPUDDED:

Date 10/30/07

Time 10:00 AM

How DRY

Drilling will Commence: _____

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 10/31/07 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
KERR MCGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:
1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-7024

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1868'FSL, 1998'FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 10S 21E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-13826

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
UNIT #891008900A

8. WELL NAME and NUMBER:
NBU 1021-2J

9. API NUMBER:
4304738844

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: WELL SPUD
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 10/30/2007 AT 1000 HRS.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 10/31/2007

(This space for State use only)

RECEIVED
NOV 02 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

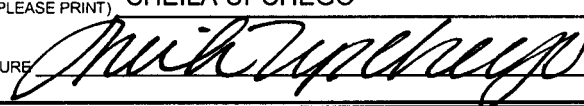
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-13826
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP		8. WELL NAME and NUMBER: NBU 1021-2J
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		9. API NUMBER: 4304738844
PHONE NUMBER: (435) 781-7024		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL		
FOOTAGES AT SURFACE: 1868'FSL, 1998'FEL		COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 10S 21E		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>SET SURFACE CSG.</u>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU BILL MARTIN AIR RIG ON 11/03/2007. DRILLED 12 1/4" SURFACE HOLE TO 2250'. RAN 9 5/8" 55 JTS OF 32.3# H-40 AND 2 JTS OF 36# J-55 SURFACE CSG. LEAD CMT W/300 SX PREM CLASS G @15.8 PPG 1.15 YIELD. TAILED CMT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. TOP OUT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 2ND TOP OUT W/125 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 3RD TOP OUT W/125 SX PREM CLASS G @15.8 PPG 1.15 YIELD DOWN BACKSIDE. 4TH TOP OUT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 5TH TOP OUT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 6TH TOP OUT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 7TH TOP OUT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 8TH TOP OUT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 9TH TOP OUT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 10TH TOP OUT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. 11TH TOP OUT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. PMP 50 SX PREM CLASS G @15.8 PPG 1.15 YIELD THEN 1 BBL WATE DUMP 55 GAL SODIUM CILACATE 1 BBL WATER W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. CMT DOWN BACKSIDE CMT TO SURFACE HOLE STAYED FULL.

WORT.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 11/26/2007

(This space for State use only)

RECEIVED

DEC 03 2007

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER _____

2. NAME OF OPERATOR:

KERR McGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:

1368 SOUTH 1200 EAST CITY VERNAL

STATE UT

ZIP 84078

PHONE NUMBER:

(435) 781-7024

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-13826

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

UNIT #891008900A

8. WELL NAME and NUMBER:

NBU 1021-2J

9. API NUMBER:

4304738844

10. FIELD AND POOL, OR WILDCAT:

NATURAL BUTTES

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1868'FSL, 1998'FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 10S 21E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: FINAL DRILLING
OPERATIONS

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

FINISHED DRILLING FROM 2250' TO 9335' ON 11/30/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/430 SX PREM LITE II @11.7 PPG 2.60 YIELD. TAILED CMT W/1150 SX 50/50 POZ @14.3 PPG 1.31 YIELD. WASH LINES DROP PLUG & DISPLACE W/144 BBLs WATER W/CLAYSTAY & MAGNACIDE TO BUMP PLUG W/3200 PSI RELEASE PSI AND FLOATS HELD HAD 50 BBLs OF CMT CIRCULATED TO THE SURFACE. WASH STACK LAND CSG W/80K TEST HEAD TO 5000 PSI ND BOPS CLEAN PITS.

RELEASED PIONEER RIG 53 ON 12/02/2007 AT 0030 HRS.

RECEIVED

DEC 14 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 12/3/2007

(This space for State use only)



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-13826
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1868'FSL, 1998'FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 10S 21E		8. WELL NAME and NUMBER: NBU 1021-2J
PHONE NUMBER: (435) 781-7024		9. API NUMBER: 4304738844
		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
		COUNTY: UINTAH
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: PRODUCTION START-UP
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 01/20/2008 AT 10:15 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE	DATE 1/22/2008

(This space for State use only)

RECEIVED

JAN 28 2008



Anadarko Petroleum Corporation
1368 South 1200 East
Vernal, UT 84078

CHRONOLOGICAL WELL HISTORY

NBU 1021-2J

LOCATION NWSE, SEC.2, T10S, R21E
UINTAH COUNTY, UT

DATE	ACTIVITY	STATUS
10/16/07	LOCATION STARTED PIONEER 53	
10/26/07	LOCATION COMPLETED PIONEER 53	P/L IN, WOBR
10/30/07	SET CONDUCTOR PIONEER 53	WOAR
11/21/07	TD: 2250' Csg. 9 5/8" @ 2205' MW: 8.4 Move to NBU 1021-2J. Spot rig and RURT. SDFN.	SD: 11/XX/07 DSS: 0
11/22/07	TD: 2250' Csg. 9 5/8" @ 2205' MW: 8.4 RURT. NU BOPE @ report time.	SD: 11/XX/07 DSS: 0
11/23/07	TD: 2500' Csg. 9 5/8" @ 2205' MW: 8.4 NU and test BOPE. PUDS and drill FE. Rotary spud @ midnight 11/22/07. Drill from 2250'-2500'. DA @ report time.	SD: 11/22/07 DSS: 1
11/26/07	TD: 6570' Csg. 9 5/8" @ 2205' MW: 9.8 Drill from 2500'-5831'. Add LCM to control mud loss. Drill to 6428'. TFNB. Drill to 6570'. DA.	SD: 11/22/07 DSS: 4
11/27/07	TD: 7961' Csg. 9 5/8" @ 2205' MW: 10.1 Drill from 6570'-7961'. DA.	SD: 11/22/07 DSS: 5
11/28/07	TD: 8240' Csg. 9 5/8" @ 2205' MW: 11.6 Drill from 7961'-8423'. Increase mud weight to control gas. Lost returns. Increase LCM to 15%. Regain circulation and condition mud. Drill to 8440'. DA.	SD: 11/22/07 DSS: 6
11/29/07	TD: 8790' Csg. 9 5/8" @ 2205' MW: 12.0 Drill from 8440'-8456'. TFNB. Raise mud weight to 12.0 ppg to control gas. Drill to 8790'. DA.	SD: 11/22/07 DSS: 7
11/30/07	TD: 9335' Csg. 9 5/8" @ 2205' MW: 12.2 Drill from 8790'-9335' TD. Circulate for samples @ report time.	SD: 11/22/07 DSS: 8
12/03/07	TD: 9335' Csg. 9 5/8" @ 2205' MW: 12.2 Short trip and LDDS. Run Triple Combo. Run and cement 4 1/2" Production Casing. Land casing and release rig @ 0030 hrs 12/2/07. RDRT.	SD: 11/22/07 DSS: 8
12/04/07	TD: 9335' Csg. 9 5/8" @ 2205' MW: 12.2 RDRT. While lowering derrick, hydraulic rams failed and derrick fell, derrick a total loss. No injuries. Release rig to Pioneer and MOBE backyard to Vernal.	SD: 11/22/07 DSS: 8
01/11/08	MIRU Days On Completion: 1	

Remarks: 7:00 A.M. HSM RIG DWN. ROAD RIG & EQUIP F/ NBU 1021-12H TO LOC. MIRU. PREP TO P/U TBG SDFWE

01/14/08

POOH w/ tbg

Days On Completion: 2

Remarks: 7:AM HSM. PU 3 3/8" MILL. RIH , TALLING & PU 23/8" J-55 TBG. GOT TO 9108 W/ 300 JTS. POOH W/ TBG, & MILL . SWI 5:PM

01/15/08

Perf & Frac

Days On Completion: 3

Remarks: 7:00 A.M. HSM ND BOPE, NU FRAC VALVES. MIRU B&C QUICK TST. FILL CSG & PSI TST CSG & FRAC VLV'S TO 7500# (HELD). RDMO B&C. MIRU WEATHERFORD FRAC SVC. MIRU CUTTERS. P/U 3 3/8" PERF GUNS & RIH. SHOOT 12 HOLES F/ 9070' - 73', P/U SHOOT 30 HOLES F/ 8898' - 8908'. POOH. PRIME PMP'S & PSI TST LINES TO 8500# (HELD). PREP TO FRAC. ALL STAGES SHOT W/ 3 3/8" EXP PERF GUNS LOADED W/ 23 GM CHARGES. 3 & 4 SPF, 90 & 120 DEG PHASING. ALL STAGES INCLUDE NALCO DVE-005 SCALE INHIB, 3 GPT IN PAD & 1/2 RAMP, 10 GPT IN FLUSH. ALL STAGES TAILED IN W/ 5000# TLC SAND FOR SAND CONTROLL. ALL CBP'S ARE 4 1/2" BAKER 8K CBP.

STG 1: BRK DWN PERF'S @ 3242#, EST INJ RT @ 48.6 BPM @ 4900#, ISIP 2824#, FG .75, TREAT STG 1 W/ 40,580# SAND TAILED IN W/ 5000# TLC SAND W/ SLK WTR. TOT CL FL 1323 BBLs. ISIP 3472#, NPI 648#, FG .82

STG 2: P/U 3 3/8" PERF GUNS & 4 1/2" CBP & RIH. SET CBP @ 8776', P/U SHOOT 15 HOLES F/ 8746' - 51', P/U SHOOT 30 HOLES F/ 8670' - 80'. POOH. BRK DWN PERF'S @ 2983#, EST INJ RT @ 50.5 BPM @ 4900#, ISIP 2340#, FG .70, TREAT STG 2 W/ 49,880# SAND TAILED IN W/ 5000# TLC SAND W/ SLK WTR. TOT CL FL 1435 BBLs. ISIP 3076#, NPI 736#, FG .79

STG 3: P/U 3 3/8" PERF GUNS & 4 1/2" CBP & RIH. SET CBP @ 8044', P/U SHOOT 16 HOLES F/ 8010' - 14', P/U SHOOT 30 HOLES F/ 7898' - 7908', POOH. WINTERIZE W.H. SWI SDFN

01/14/08

Perf & Frac

Days On Completion: 4

Remarks: 7:00 A.M. HSM. CONT TO FRAC

STG 3: BRK DWN PERF'S @ 2886#, EST INJ RT @ 50.5 BPM @ 4900#, ISIP 2031#, FG .69, TREAT STG 3 W/ 25,630# SAND TAILED IN W/ 5000# TLC W/ SLK WTR. TOT CL FL 805 BBLs. ISIP 3039#, NPI 1008#, FG .82

STG 4: P/U 3 3/8" PERF GUNS & 4 1/2" CBP & RIH. SET CBP @ 7753'. P/U SHOOT 12 HOLES F/ 7720' - 23', P/U SHOOT 30 HOLES F/ 7660' - 70'. POOH. BRK DWN PERF'S @ 3204#, EST INJ RT @ 49.7 BPM @ 4470#, ISIP 1845#, FG .67, TREAT STG 4 W/ 38,600# SAND TAILED IN W/ 5000# TLC SAND W/ SLK WTR. TOT CL FL 1131 BBLs. ISIP 2839#, NPI 994#, FG .80

STG 5: P/U 3 3/8" PERF GUNS & 4 1/2" CBP & RIH. SET CBP @ 7531', P/U SHOOT 9 HOLES F/ 7498' - 7501', P/U SHOOT 24 HOLES F/ 7444' - 50', P/U SHOOT 6 HOLES F/ 7419' - 21', P/U SHOOT 6 HOLES F/ 7357' - 59'. POOH. BRK DWN PERF'S @ 2496#, EST INJ RT @ 50.6 BPM @ 3300#, ISIP 1558#, FG .64, TREAT STG 5 W/ 96,700# SAND, TAILED IN W/ 5000# TLC SAND W/ SLK WTR. TOT CL FL 2543 BBLs. ISIP 2263#, NPI 705#, FG .74.

P/U 4 1/2" CBP & RIH. SET KILL PLUG @ 7310'. POOH. RDMO CUTTERS. RDMO WEATHERFORD. ND FRAC VLV'S. NU BOPE. P/U 3 7/8" BIT, POBS & RIH W/ TBG. EOT @ 5780'. L/D 2 JTS. PREP TO DRL OUT IN A.M. SWI. SDFN

01/15/08

drl cbp's

Days On Completion: 5

Remarks: 7:00 A.M. HSM. CONT TO RIH W/ TBG F/ 5780'. TAG KILL PLUG @ 7310', R/U DRL EQUIP. R/U PMP & LINES, BRK CONV CIRC & BEG TO DRL.

DRL UP KILL PLUG. (500# PSI INC). CONT TO RIH. TAG FILL @ 7521', (10' FILL). C/O TO 2ND CBP @ 7531'. DRL UP 2ND CBP (200# PSI INC). CONT TO RIH. TAG FILL @ 7723', (30' FILL). C/O TO 3RD CBP @ 7753'. DRL UP 3RD CBP (500# PSI INC). CONT TO RIH. TAG FILL @ 8019', (25' FILL). C/O TO 4TH CBP @ 8044'. DRL UP 4TH CBP (500# PSI INC). CONT TO RIH. TAG FILL @ 8746', (30' FILL). C/O TO 5TH CBP @ 7776'. DRL UP 5TH CBP (300# PSI INC). CONT TO RIH. TAG FILL @ 9108', (158' FILL). C/O TO PBD @ 9266'. CIRC WELL CLEAN. R/D DRL EQUIP. POOH L/D 22 JTS ON TRAILER. LUBRICATE TBG HANGER INTO WELL. LAND TBG W/ EOT @ 8758'. ND BOPE. DROP BALL. NUWH. PMP OFF THE BIT SUB @ 2000#. R/U FLOW BACK EQUIP. RIG DWN RACK OUT EQUIP. TURN OVER TO FLOW BACK CREW 5:00 P.M.

SICP 900#
FTP 50#
48/64 CHOKE

TBG ON LOC	300 JTS
TBG IN WELL	278 JTS
TBG LEFT ON TRAILER	22 JTS

- 01/18/08 **FLOWBACK REPORT:** CP 700#, TP 775#, CK 20/64", 60 BWPH, LOAD REC'D 3180 BBLS, REMAINING LTR 4057 BBLS
- 01/19/08 **FLOWBACK REPORT:** CP 775#, TP 800#, CK 20/64", 40 BWPH, LOAD REC'D 1050 BBLS, REMAINING LTR 3007 BBLS
- 01/20/08 **FLOWBACK REPORT:** CP 2300#, TP 700#, CK 20/64", 30 BWPH, LOAD REC'D 790 BBLS, REMAINING LTR 2217 BBLS

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-13826
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		7. UNIT or CA AGREEMENT NAME UNIT #891008900A
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078		8. WELL NAME and NUMBER: NBU 1021-2J
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1868'FSL, 1998'FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH:		9. API NUMBER: 4304738844
10. FIELD AND POOL, OR WILDCAT NATURAL BUTTES		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 10S 21E
12. COUNTY UINTAH		13. STATE UTAH

14. DATE SPURRED: 10/30/2007	15. DATE T.D. REACHED: 11/30/2007	16. DATE COMPLETED: 1/20/2008	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 5090'GL
18. TOTAL DEPTH: MD 9,335 TVD	19. PLUG BACK T.D.: MD 9,266 TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) CBL-CCL-GR			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3# 36#		2,250		2575			
7 7/8"	4 1/2 I-80	11.6#		9,335		1580			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	8.758							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) MESAVERDE	7,357	9,073			7,357 9,073	0.36	220	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) WSMVD								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
7357'-9073'	PMP 7227 BBLS SLICK H2O & 251.390# 30/50 SD

29. ENCLOSED ATTACHMENTS:

- ☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

30. WELL STATUS:

PROD

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 1/20/2008		TEST DATE: 1/24/2008		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 0		GAS - MCF: 576		WATER - BBL: 480		PROD. METHOD: FLOWING							
CHOKE SIZE: 20/64		TBG. PRESS. 403		CSG. PRESS. 1,177		API GRAVITY		BTU - GAS		GAS/OIL RATIO		24 HR PRODUCTION RATES: →		OIL - BBL: 0		GAS - MCF: 576		WATER - BBL: 480		INTERVAL STATUS: PROD	

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,566 7,275	7,275			

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 2/14/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-13826
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
PHONE NUMBER: (435) 781-7024		8. WELL NAME and NUMBER: NBU 1021-2J
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1868'FSL, 1998'FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 10S 21E		9. API NUMBER: 4304738844
		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
		COUNTY: UINTAH
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 7/1/2008	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

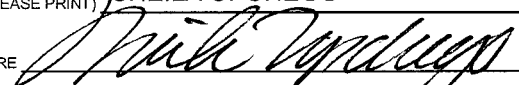
THE OPERATOR REQUESTS AUTHORIZATION TO RECOMPLETE THE SUBJECT WELL LOCATION. THE OPERATOR PROPOSES TO COMPLETE THE WASATCH FORMATION. THE OPERATOR REQUESTS AUTHORIZATION TO COMMINGLE THE NEWLY WASATCH FORMATION AND THE EXISTING MESAVERDE FORMATIONS.

PLEASE REFER TO THE ATTACHED RECOMPLETION PROCEDURE.

COPY SENT TO OPERATOR

Date: 6-26-2008

Initials: KS

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 6/19/2008

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 6/25/08
BY: [Signature]

(See Instructions on Reverse Side)

RECEIVED

JUN 20 2008

DIV. OF OIL, GAS & MINING

Name: NBU 1021-2J
Location: NWSE-Section 2-T10S-R21E
Uintah County, UT
Date: **June 19, 2008**

ELEVATIONS: 5105' GL 5129' KB

TOTAL DEPTH: 9335' **PBTD:** 9266'
SURFACE CASING: 9 5/8", 32.3# H-40 & 36# J-55 ST&C @ 2229'
PRODUCTION CASING: 4 1/2", 11.6#, I-80 LT&C @ 9311'
 Marker Joint 4500'-4521' AND 4521'-4541 '

TUBULAR PROPERTIES:

	BURST (psi)	COLLAPSE (psi)	DRIFT DIA. (in.)	CAPACITIES	
				(bbl/ft)	(gal/ft)
2 3/8" 4.7# J-55 tbg	7,700	8,100	1.901"	0.00387	0.1624
4 1/2" 11.6# I-80 (See above)	7780	6350	3.875"	0.0155	0.6528
2 3/8" by 4 1/2" Annulus				0.0101	0.4227

TOPS:

1358' Green River
 2116' Mahogany
 4574' Wasatch
 7262' Mesaverde

GENERAL:

- A minimum of **13** tanks (cleaned lined 500 bbl) of **recycled** water will be required. Note: Use biocide in tanks and the water needs to be at least 45°F at pump time.
- All perforation depths are from Halliburton's Induction-Density-Neutron log dated 11/30/2007.
- **5** fracturing stages required for coverage.
- Procedure calls for 6 CBP's (**8000** psi).
- Calculate open perforations after each breakdown. If less than 60% of the perforations appear to be open, ball out with 15% HCl.
- Put scale inhibitor 3 gals/1000 gals (in pad and 1/2 the ramp) and 10 gals/1000 gals in all flushes except the final stage. Remember to pre-load the casing with scale inhibitor for the very first stage with 10 gpt.
- 30/50 mesh Ottawa sand, **Slickwater frac.**
- Maximum surface pressure **6200** psi.
- Flush volumes are the sum of slick water and acid used during displacement (include scale inhibitor as mentioned above). **DO NOT OVERDISPLACE.** Stage acid and scale inhibitor if necessary to cover the next perforated interval.
- Service companies need to provide surface/production annulus pop-offs to be set for 1500 psi for each frac.
- Pump **resin coated sand** last 5,000# of all frac stages
- Wasatch re-complete. This well will be commingled.

- Current tubing landed @ ~8758'.

Existing Perforations

Zone	Perforations		SPF	Holes
	Top, ft	Bottom, ft		
MESAVERDE	7357	7359	3	6
MESAVERDE	7419	7421	3	6
MESAVERDE	7444	7450	4	24
MESAVERDE	7498	7501	3	9
MESAVERDE	7660	7670	3	30
MESAVERDE	7720	7723	4	12
MESAVERDE	7898	7908	3	30
MESAVERDE	8010	8014	4	16
MESAVERDE	8670	8680	3	30
MESAVERDE	8746	8751	3	15
MESAVERDE	8898	8908	3	30
MESAVERDE	9070	9073	4	12

PROCEDURE:

1. MIRU. Control well with 2% KCL water and biocide as required. ND WH, NU BOP's and test.
2. TOO H with 2-3/8", 4.7#, J-55 tubing (tubing is currently landed at 8758'). Visually inspect for scale and consider replacing if needed.
3. If tubing looks ok, consider running a gauge ring to 7142' (50' below proposed CBP). Otherwise PU mill and CO to 7142'
4. RIH with 4 1/2" 8000 psi CBP and set at ~7092'. Pressure test BOP and casing to 6200 psi.
5. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
WASATCH	6982	6992	4	40
# of Perfs/stage				40
6. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 1 on attached listing. Under-displace to ~6932' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
7. Set 8000 psi CBP at ~6542'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
WASATCH	6384	6387	3	9
WASATCH	6407	6410	3	9
WASATCH	6456	6458	3	6
WASATCH	6508	6512	4	16
# of Perfs/stage				40

8. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 2 on attached listing. Under-displace to ~6334' and trickle 250gal 15%HCL w/ scale inhibitor in flush.

9. Set 8000 psi CBP at ~6218'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
WASATCH	6178	6188	4	40
# of Perfs/stage				40

10. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 3 on attached listing. Under-displace to ~6128' and trickle 250gal 15%HCL w/ scale inhibitor in flush.

11. Set 8000 psi CBP at ~6054'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
WASATCH	5886	5888	2	4
WASATCH	6011	6024	3	39
# of Perfs/stage				43

12. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 4 on attached listing. Under-displace to ~5836' and trickle 250gal 15%HCL w/ scale inhibitor in flush.

13. Set 8000 psi CBP at ~5630'. Perf the following 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
WASATCH	5412	5414	3	6
WASATCH	5589	5600	3	33
# of Perfs/stage				39

14. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 5 on attached listing. Under-displace to ~5362' and flush only with recycled water.

15. Set 8000 psi CBP at ~5312'.

16. TIH with 3 7/8" bit, pump off sub, SN and tubing.

17. Drill plugs and clean out to PBTD. Shear off bit and land tubing at ±6850' unless indicated otherwise by the well's behavior. This well will be commingled.

18. RDMO.

For design questions, please call
David Cocciolone, Denver, CO
(832)-453-2043 (Cell)
(720)-929-6716 (Office)

For field implementation questions, please call
Robert Miller, Vernal, UT
4350781 7041 (Office)

Completion Engineer _____
David Cocciolone

Approving Manager _____
Rebecca Johnson

NOTES:

Motherlode initially bypassed due to water concerns. New analysis suggests the Motherlode likely contains good quantities of gas. This will be bypassed due to the sand plug required.

NBU 1021-2J
Perforation and CBP Summary

Stage	Zones	Perforations		SPF	Holes	Fracture Coverage		
		Top, ft	Bottom, ft					
1	WASATCH	6982	6992	4	40	6981	to	6992
	# of Perfs/stage				40	CBP DEPTH	6542	
2	WASATCH	6384	6387	3	9	6385	to	6387
	WASATCH	6407	6410	3	9	6509	to	6513
	WASATCH	6456	6458	3	6			
	WASATCH	6508	6512	4	16			
	# of Perfs/stage				40	CBP DEPTH	6218	
3	WASATCH	6178	6188	4	40	6176	to	6193
	# of Perfs/stage				40	CBP DEPTH	6054	
4	WASATCH	5886	5888	2	4	5886	to	5887
	WASATCH	6011	6024	3	39	6002	to	6027
	# of Perfs/stage				43	CBP DEPTH	5630	
5	WASATCH	5412	5414	3	6	5411	to	5416
	WASATCH	5589	5600	3	33	5584	to	5603
	# of Perfs/stage				39	CBP DEPTH	5312	
Totals					202			

Fracturing Schedules
NBU 1021-2J
Slickwater Frac

Stage	Zone	Feet of Pay	Perfs		SPF	Holes	Rate BPM	Fluid Type	Initial ppg	Final ppg	Fluid	Volume BBLs	Cum Vol BBLs	Fluid % of frac	Sand % of frac	Sand lbs	Cum. Sand lbs	Footage from CBP to Flush	Scale Inhib., gal.
			Top, ft	Bot, ft															
1	WASATCH	11	6982	6992	4	40	Varied	Pump-in test			Slickwater	0	0						43
								0 ISIP and 5 min ISIP			Slickwater	86	86	15.0%	0.0%	0	0		11
								50 Slickwater Pad	0.25	1.25	Slickwater	288	375	50.0%	39.7%	9,075	9,075		18
								50 Slickwater Ramp	1.25	2	Slickwater	202	576	35.0%	60.3%	13,764	22,839		0
								50 Flush (4-1/2")				108	684				22,839		43
								ISDP and 5 min ISDP											114
		11	# of Perfs/stage		40	14.2	<< Above pump time (min)					Flush depth	6932		gal/ft	2,200	2,076	lbs sand/ft	
															CBP depth	6,542		390	
2	WASATCH	3	6384	6387	3	9	Varied	Pump-in test			Slickwater	0	0						9
								0 ISIP and 5 min ISIP			Slickwater	75	75	15.0%	0.0%	0	0		16
								50 Slickwater Pad	0.25	1.25	Slickwater	250	325	50.0%	39.7%	7,875	7,875		0
								50 Slickwater Ramp	1.25	2	Slickwater	175	500	35.0%	60.3%	11,944	19,819		40
								50 Flush (4-1/2")				98	598				19,819		66
								ISDP and 5 min ISDP											
		6	# of Perfs/stage		40	12.4	<< Above pump time (min)					Flush depth	6334		gal/ft	3,500	3,303	lbs sand/ft	
															CBP depth	6,218		116	
3	WASATCH	18	6178	6188	4	40	Varied	Pump-in test			Slickwater	0	0						16
								0 ISIP and 5 min ISIP			Slickwater	125	125	15.0%	0.0%	0	0		26
								50 Slickwater Pad	0.25	1.25	Slickwater	417	542	50.0%	39.7%	13,125	13,125		0
								50 Slickwater Ramp	1.25	2	Slickwater	292	833	35.0%	60.3%	19,906	33,031		39
								50 Flush (4-1/2")				95	929				33,031		81
								ISDP and 5 min ISDP											
		18	# of Perfs/stage		40	19.3	<< Above pump time (min)					Flush depth	6128		gal/ft	2,000	1,888	lbs sand/ft	
															CBP depth	6,054		74	
4	WASATCH	25	5886	5888	2	39	Varied	Pump-in test			Slickwater	0	0						26
								0 ISIP and 5 min ISIP			Slickwater	208	208	15.0%	0.0%	0	0		44
								50 Slickwater Pad	0.25	1.25	Slickwater	694	902	50.0%	39.7%	21,863	21,863		0
								50 Slickwater Ramp	1.25	2	Slickwater	486	1,388	35.0%	60.3%	33,158	55,021		37
								50 Flush (4-1/2")				91	1,479				55,021		107
								ISDP and 5 min ISDP											
		27	# of Perfs/stage		43	30.8	<< Above pump time (min)					Flush depth	5836		gal/ft	2,200	2,076	lbs sand/ft	
															CBP depth	5,630		206	
5	WASATCH	20	5412	5414	3	33	Varied	Pump-in test			Slickwater	0	0						24
								0 ISIP and 5 min ISIP			Slickwater	189	189	15.0%	0.0%	0	0		40
								50 Slickwater Pad	0.25	1.25	Slickwater	629	817	50.0%	39.7%	19,800	19,800		0
								50 Slickwater Ramp	1.25	2	Slickwater	440	1,257	35.0%	60.3%	30,030	49,830		0
								50 Flush (4-1/2")				83	1,340				49,830		63
								ISDP and 5 min ISDP											
		24	# of Perfs/stage		39	27.9	<< Above pump time (min)					Flush depth	5362		gal/ft	2,200	2,076	lbs sand/ft	
															CBP depth	5,312		50	
Totals		85				202	1.7					gals bbls	5,027 bbls			Total Sand	180,539		431
Total Scale Inhib. =																		431	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-13826
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A NBU
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1868'FSL, 1998'FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 10S 21E		8. WELL NAME and NUMBER: NBU 1021-2J
PHONE NUMBER: (435) 781-7024		9. API NUMBER: 4304738844
		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
		COUNTY: UINTAH
		STATE: UTAH

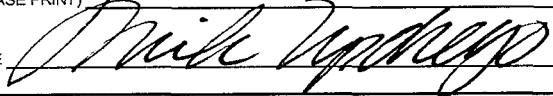
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THE OPERATOR HAS PERFORMED THE RECOMPLETION ON THE SUBJECT WELL LOCATION, THE OPERATOR HAS PLACED THE SUBJECT WELL LOCATION BACK ON PRODUCTION ON 08/16/2008 AT 8:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE REGULATORY ANALYST
SIGNATURE 	DATE 8/18/2008

(This space for State use only)

RECEIVED

AUG 20 2008

STATE OF OIL, GAS & MINING

Wins No.: 95119		NBU 1021-2J		API No.: 4304738844			
EVENT INFORMATION:		EVENT ACTIVITY: RECOMPLETION		START DATE: 8/11/2008			
		OBJECTIVE: DEVELOPMENT		END DATE:			
		OBJECTIVE 2: RECOMPLETE		DATE WELL STARTED PROD.:			
		REASON: WAS RECOMPLETE		Event End Status:			
RIG OPERATIONS:		Begin Mobilization		Rig On Location	Rig Charges		
		Rig Operation Start		Finish Drilling	Rig Release		
		Rig Off Location					
MILES 3 / 3							
Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
8/11/2008	<u>SUPERVISOR:</u> DOUG CHIVERS						<u>MD:</u>
	7:00 - 7:30	0.50	COMP	48		P	HSM. TRIPPING TUBING
	7:30 - 15:00	7.50	COMP	31	I	P	MIRU RIG. SIWP 1,00 PSI. BLOW DOWN WELL & PUMP 30 BBLS DOWN TUBING & 20 BBLS DOWN CASING. WELL DEAD. ND WELL HEAD NU BOP'S. POOH W/ 2 3/8" TBG & TALLY ON TRIP OUT. NO SCALE ON TBG. PU 3 7/8" MILL & SUB. RIH W/ 228 JTS OF 2 3/8" TBG TO MAKE SURE WELL IS CLEAN FOR CBP. EOT @ 7,172' SWI SDFN
8/12/2008	<u>SUPERVISOR:</u> DOUG CHIVERS						<u>MD:</u>
	7:00 - 7:30	0.50	COMP	48		P	HSM. TRIPPING, PRESSURE TESTING & PERF
	7:30 - 15:00	7.50	COMP	37	B	P	SICP 900 PSI, SITP 700 PSI. BLEED DOWN WELL. PUMP 30 BBLS OF 2% KCL DOWN TBG & 20 BBLS DOWN CASING. POOH W/ 228 JTS OF 2 3/8" J-55 TBG. ND BOP'S NU FRAC VALVES. MIRU CUTTERS TO SET CBP & PERFORATE. PU 4 1/2" 8K BAKER CBP RIH SET CBP @ 7,095'. POOH W/ WIRE LINE. MIRU B&C QUICK TEST. FILL CASING W/ 2% KCL WATER & PRESSURE TEST CASING & BOTH FRAC VALVES TO 6,200 PSI. GOOD TEST. RDMO B&C QUICK TEST. PU 3 3/8" EXP GUNS, 23 GRM, .36 HOLES, 90 DEG PHASING. PERF 6,982' - 92' 4 SPF, 40 HOLES. POOH W/ WIRE LINE. MIRU BJ SERVICES TO FRAC IN AM. SWI SDFN
8/13/2008	<u>SUPERVISOR:</u> DOUG CHIVERS						<u>MD:</u>
	6:30 - 7:00	0.50	COMP	48		P	HSM. FRACING & PERFORATING & H2S

Wins No.: 95119		NBU 1021-2J				API No.: 4304738844	
7:00	- 17:00	10.00	COMP	36	B	P	PRIME UP PUMPS & LINES. PRESSURE TEST SURFACE EQUIPMENT TO 7,600 PSI.
							<p>STG 1) WHP 137 PSI, BRK @ 3,202 PSI @ 6.5 BPM, ISIP 1,773 PSI, FG .69. PUMP 100 BBLS @ 50.7 BPM @ 4,200 PSI = 75% HOLES OPEN. MP 4,239 PSI, MR 51.5 BPM, AP 4,092 PSI, AR 51.1 BPM, ISIP 2,625 PSI FG .81. NPI 852 PSI, PMP 809 BBLS OF SW & 17,896 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP PMPD 22,896 LBS.</p> <p>STG 2) PU 4 1/2" 8K BAKER CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 120 & 90 DEG PHASING RIH. SET CBP @ 6,550' & PERF 6,508' - 12' 4 SPF, 6,456' - 58' 3 SPF, 6,407' - 10' 3 SPF. 6,384' - 87' 3 SPF, 40 HOLES. WHP 200 PSI, BRK @ 2,660 PSI @ 6.6 BPM, ISIP 1,843 PSI, FG .72. PUMP 100 BBLS @ 51.5 BPM @ 4,150 PSI = 75% HOLES OPEN. MP 4,234 PSI, MR 50.7 BPM, AP 3,923 PSI, AR 50.4 BPM, ISIP 2,345 PSI FG .80. NPI 502 PSI, PMP 605 BBLS OF SW & 14,871 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP PMPD 19,871 LBS.</p> <p>STG 3) PU 4 1/2" 8K BAKER CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING RIH. SET CBP @ 6,218' & PERF 6,178' - 88' 4 SPF, 40 HOLES. WHP 234 PSI, BRK @ 2,825 PSI @ 6.4 BPM, ISIP 1,843 PSI, FG .72. PUMP 100 BBLS @ 50.1 BPM @ 3,600 PSI = 100% HOLES OPEN. MP 3,552 PSI, MR 50.9 BPM, AP 3,414 PSI, AR 50.5 BPM, ISIP 2,100 PSI FG .78. NPI 419 PSI, PMP 940 BBLS OF SW & 28,065 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP PMPD 33,065 LBS.</p> <p>STG 4) PU 4 1/2" 8K BAKER CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 120 & 180 DEG PHASING RIH. SET CBP @ 6,054' & PERF 6,011' - 24' 3 SPF, 5,886' - 88' 2 SPF, 43 HOLES. WHP 1,220 PSI, BRK @ 2,666 PSI @ 6.6 BPM, ISIP 1,713 PSI, FG .73. PUMP 100 BBLS @ 51 BPM @ 3,400 PSI = 100% HOLES OPEN. MP 3,144 PSI, MR 51 BPM, AP 3,060 PSI, AR 50.7 BPM, ISIP 1,940 PSI FG .76. NPI 227 PSI, PMP 1,488 BBLS OF SW & 49,903 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP PMPD 54,903 LBS.</p> <p>STG 5) PU 4 1/2" 8K BAKER CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 120 DEG PHASING RIH. SET CBP @ 5,630' & PERF 5,589' - 5,600' 3 SPF, 5,412' - 14' 3 SPF, 39 HOLES. WHP 70 PSI, BRK @ 1,555 PSI @ 6.5 BPM, ISIP 768 PSI, FG .58. PUMP 100 BBLS @ 50.5 BPM @ 2,550 PSI = 100% HOLES OPEN. MP 2,771 PSI, MR 50.4 BPM, AP 2,656 PSI, AR 50.2 BPM, ISIP 1,521 PSI FG .71. NPI 753 PSI, PMP 1,277 BBLS OF SW & 46,025 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP PMPD 51,025 LBS.</p> <p>KILL PLG) PU 4 1/2" 8K BAKER CBP. RIH SET CBP @ 5,362'. POOH W/ WIRE LINE. RDMO CUTTERS & BJ SERVICES. ND FRAC VALVES NU BOP'S. PU 3 7/8" BIT & POBS & SN & RIH W/164 JTS OF 2 3/8" TBG. EOT @ 5,164' SWI SDFN.</p>
8/14/2008	SUPERVISOR: DOUG CHIVERS						MD:
7:00	- 7:30	0.50	COMP	48		P	HSM. DRILLING CBP'S & LANDING TUBING

Wins No.: 95119

NBU 1021-2J

API No.: 4304738844

7:30 - 15:00

7.50

COMP

44

C

P

PU RIH W/ 7 JTS OF 2 3/8" 4.7# TBG. RU POWER SWIVEL & RIG PUMP.
BRK CIRC W/ 2% KCL WATER. RIH
C/O 10' OF SAND TAG PLG 1 @ 5,362' DRL PLG IN 10 MIN LOST
CIRC FOR 75 BBLS. RIH
C/O 30' OF SAND TAG PLG 2 @ 5,630' DRL PLG IN 10 MIN 300 PSI
INCREASE. RIH
C/O 30' OF SAND TAG PLG 3 @ 6,054' DRL PLG IN 10 MIN. 0 PSI
INCREASE. RIH
C/O 30' OF SAND TAG PLG 4 @ 6,218' DRL PLG IN 10 MIN 300 PSI
INCREASE. RIH
C/O 30' OF SAND TAG PLG 5 @ 6,550' DRL PLG IN 10 MIN 300
PSI INCREASE. RIH
C/O 30' OF SAND TAG PLG 6 @ 7,095' DRL PLG IN 10 MIN 0 PSI
INCREASE. RIH
C/O TO 9,229' CIRC WELL CLEAN W/ 2% KCL WATER. POOH LD
76 JTS.
LAND TUBING W/ 218 JTS OF 2 3/8" J-55 4.7# TBG. EOT @
6865.74'.
ND BOP'S NU WELL HEAD DROP BALL TO SHEAR OFF BIT.
PUMP OFF BIT @ 1,200 PSI.
TURN WELL OVER TO FLOW BACK CREW.

WELL WAS DEAD AFTER PUMPING OFF BID. AFTER 2 HRS
WELL STARTED FLOWING.

8/15/2008

SUPERVISOR: DOUG CHIVERS

MD:

7:00 -

33

A

7 AM FLBK REPORT: CP 1350#, TP 750#, 20/64" CK, 30 BWPH,
TRACE SAND, - GAS
TTL BBLS RECOVERED: 2650
BBLS LEFT TO RECOVER: 2709

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL:		OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>	DRY <input type="checkbox"/>	OTHER <input type="checkbox"/>
b. TYPE OF WORK:		NEW WELL <input type="checkbox"/>	HORIZ. LATS. <input type="checkbox"/>	DEEP-EN <input type="checkbox"/>	RE-ENTRY <input type="checkbox"/>
			DIFF. RESVR. <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>	Reperf RECOMPLETION
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP					
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078				PHONE NUMBER: (435) 781-7024	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1868'FSL, 1998'FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH:					
5. LEASE DESIGNATION AND SERIAL NUMBER: ML-13826					
6. IF INDIAN, ALLOTTEE OR TRIBE NAME					
7. UNIT or CA AGREEMENT NAME UNIT #891008900A					
8. WELL NAME and NUMBER: NBU 1021-2J					
9. API NUMBER: 4304738844					
10 FIELD AND POOL, OR WILDCAT NATURAL BUTTES					
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 2 10S 21E					
12. COUNTY UINTAH				13. STATE UTAH	

14. DATE SPUDED: 10/30/2007	15. DATE T.D. REACHED: 11/30/2007	16. DATE COMPLETED: 8/16/2008	ABANDONED <input type="checkbox"/>	READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 5090'GL
18. TOTAL DEPTH: MD 9,335 TVD	19. PLUG BACK T.D.: MD 9,229 TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD	
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) N/A			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)		

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3# 36#		2,250		2575			
7 7/8"	4 1/2 I-80	11.6#		9,335		1580			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	6,866							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) WASATCH	5,412	6,992			5,412 6,992	0.36	202	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) WSMVD								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5412'-6992'	PMP 5119 BBLS SLICK H2O & 181,760# 30/50 SD

29. ENCLOSED ATTACHMENTS:

- | | | | |
|---|--|---------------------------------------|---|
| <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS | <input type="checkbox"/> GEOLOGIC REPORT | <input type="checkbox"/> DST REPORT | <input type="checkbox"/> DIRECTIONAL SURVEY |
| <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION | <input type="checkbox"/> CORE ANALYSIS | <input type="checkbox"/> OTHER: _____ | |

30. WELL STATUS:

PROD

RECEIVED

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 8/16/2008		TEST DATE: 8/31/2008		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 14		GAS – MCF: 2,086		WATER – BBL: 480		PROD. METHOD: FLOWING	
CHOKE SIZE: 18/64	TBG. PRESS. 1,046	CSG. PRESS. 1,793	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →		OIL – BBL: 14		GAS – MCF: 2,086		WATER – BBL: 480		INTERVAL STATUS: PROD	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,566 7,275				

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE

DATE 9/8/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-13826
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1021-2J
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1868 FSL 1998 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 02 Township: 10.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047388440000
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 2/17/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input checked="" type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____ </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The operator requests for a Temporarily Abandon Status on the subject well location. The subject well location has been shut-in since 1/29/2009. The operator is currently reviewing the evaluation of the well to determine if a workover is necessary.		
REQUEST DENIED Utah Division of Oil, Gas and Mining Date: February 17, 2010 By: <u>Derek Duff</u>		
NAME (PLEASE PRINT) Andy Lytle		PHONE NUMBER 720 929-6100
SIGNATURE N/A		TITLE Regulatory Analyst
DATE 2/16/2010		

RECEIVED February 16, 2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047388440000

See requirements of R649-3-22 - need 1) Reason, 2) Length of time, and 3) Showing of integrity.

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: February 17, 2010
By: Dan K. Quist

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-13826
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1021-2J
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1868 FSL 1998 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 02 Township: 10.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047388440000
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/1/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. THE OPERATOR REQUESTS AUTHORIZATION TO PLUG AND ABANDON THE SUBJECT WELL LOCATION. ATTACHED TO THIS SUNDRY NOTICE IS THE PLUG AND ABANDONMENT PROCEDURE.		
<div style="text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining Date: June 09, 2010 By: </div>		
NAME (PLEASE PRINT) Andy Lytle		PHONE NUMBER 720 929-6100
SIGNATURE N/A		TITLE Regulatory Analyst
DATE 5/27/2010		

RECEIVED May 27, 2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047388440000

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. AMEND PLUGS #1 and 2: A minimum of 8 sx (100') shall be dumped on top of CIBP's as required by R649-3-24-3.2.**
- 3. All annuli shall be filled from a minimum of 100' to surface.**
- 4. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
- 5. All balanced plugs shall be tagged to ensure that they are at the depth specified.**
- 6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 7. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.**
- 8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: June 09, 2010
By: Dustin Doucet

Wellbore Diagram

API Well No: 43-047-38844-00-00

Permit No:

Well Name/No: NBU 1021-2J

Company Name: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Location: Sec: 2 T: 10S R: 21E Spot: NWSE

Coordinates: X: 626719 Y: 4425869

Field Name: NATURAL BUTTES

County Name: UTAH

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (F/CF)
HOL1	40	20			
COND	40	14	36.7	40	
HOL2	2250	12.25			
SURF	2250	9.625	32.3	2250	
HOL3	9335	7.875			
PROD	9335	4.5	11.6	9335	11.459
	8758	2.375			

Cement from 40 ft.

Conductor: 14 in. @ 40 ft.

Hole: 20 in. @ 40 ft.

Plug #8

Perf @ 300' 22' cut to surf?

300'/(1.15)(11.459) = 23.5

23.5 x 2.375 = 55.8

300'/(1.15)(3.017) = 86.5

109.3K total

Plug #7

Cement from 2250 ft. to surface

Surface: 9.625 in. @ 2250 ft.

Hole: 12.25 in. @ 2250 ft.

Plug #6

16 SK = 210'

TOC @ 1895' ✓ o.k.

Plug #5

16 SK = 210'

TOC @ 2840' ✓ o.k.

Plug #4

16 SK = 210'

TOC @ 3530' ✓ o.k.

Plug #3

(16 SK)(1.15)(11.459) = 210'

TOC @ 4470' ✓ o.k.

Plug #2

4 SK = 52'

* 8 SK (100') min. req'd. ✓

Plug #1

(4 SK)(1.15)(11.459) = 52'

* 8 SK (100') min. req'd. ✓

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
COND	40		UK	28
PROD	9335	0	HS	430
PROD	9335	0	50	1150
SURF	2250	0	G	2575

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
7357	9073			
5412	6992			

Approved by the
Utah Division of
Oil, Gas and Mining

Date: June 09, 2010

By: Dark Wolf

Formation Information

Formation	Depth
UNTA	0
GRRV	1353
TRONA	1616
MHGBN	1994
PARCK	2938
BMSW	3629
WSTC	4566
MVRD	7275

Cement from 9335 ft. to surface

Tubing: 2.375 in. @ 8758 ft.

Production: 4.5 in. @ 9335 ft.

Hole: 7.875 in. @ 9335 ft.

TD: 9335 TVD: 9335 PBTD: 9266

NBU 1021-2J
 1868' FSL & 1998' FEL
 NWSE SEC.2, T10S, R21E
 Uintah County, UT

KBE:	5129'	API NUMBER:	43-047-38844
GLE:	5105'	LEASE NUMBER:	ML-13826
TD:	9335'	WI:	100.00000%
PBTD:	9266'	NRI:	83.494445%
		WINS:	95119

CASING: 20" hole
 14" STL 36.7# csg @ 40' GL
 Cemented to surface w/ 28 sx

12.25" hole
 9.625" 32.3# H-40@ 2250' KB
 Cemented with 2575 sx. Took 11 top-down jobs, but hole stayed full. TOC @ surface.

7.875" hole
 4.5" 11.6# I-80 @ 9335'
 Cemented with 430 sx Prem Lite II (yield 2.60) lead and 1150 sx 50/50 Poz (yield 1.31). Cement circulated to surface. TOC @ surface per CBL

TUBING: 2.375" 4.7# J-55 tubing at 6866'

Tubular/Borehole	Drift inches	Collapse psi	Burst psi	Capacities		
				Gal./ft.	Cuft/ft.	Bbl./ft.
2.375" 4.7# J-55 tbg.	1.901	8100	7700	0.1624	0.02173	0.00387
4.5" 11.6# I-80	3.875	6350	7780	0.6528	0.0872	0.01554
9.625" 32.3# H-40	8.845	1400	2270	3.3055	0.4418	0.0787
14" 36.7# Stl						
Annular Capacities						
2.375" tbg. X 4 1/2" 11.6# csg				0.4227	0.0565	0.01006
4.5" csg X 9 5/8" 32.3# csg				2.478	0.3314	0.059
4.5" csg X 7.875 borehole				1.7052	0.2278	0.0406
9.625" csg X 12 1/4" borehole				2.3436	0.3132	0.0558
9.625" csg X 14" csg				3.4852	0.4659	0.083
14" csg X 20" borehole						

GEOLOGIC INFORMATION:

Formation	Depth to top, ft.
Uinta	Surface
Green River	1353'
Bird's Nest	1616'

Mahogany 1994'
 Base of Parachute 2938'
 Wasatch 4566'
 Mesaverde 7275'

Tech. Pub. #92 Base of USDW's

USDW Elevation ~1500' MSL

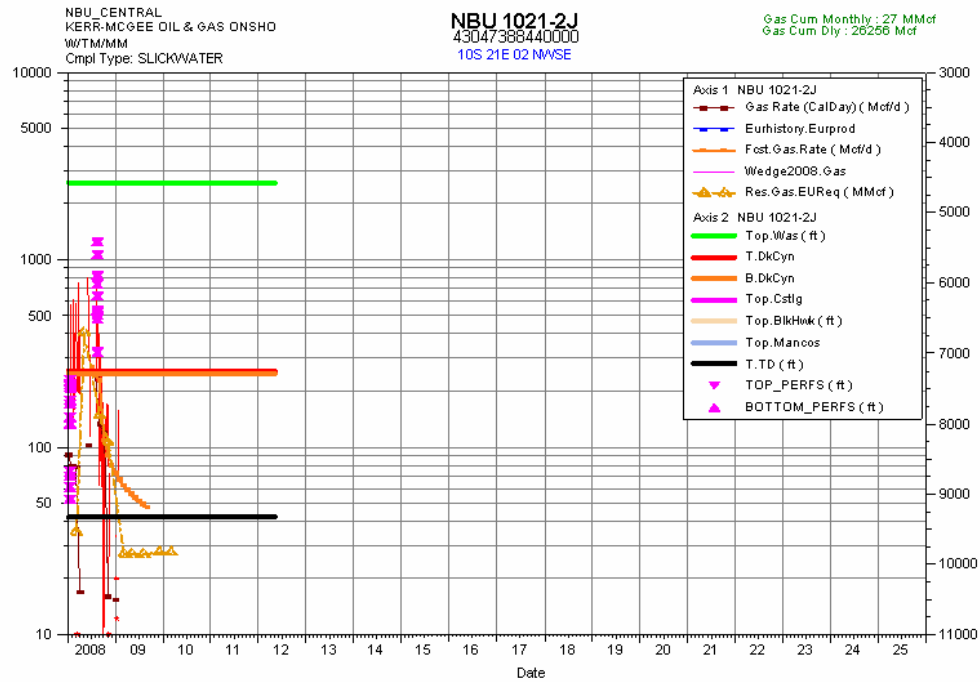
USDW Depth ~3629' KBE

EXISTING PERFORATIONS:

Formation	Date	Top	Btm	SPF	Status
Wasatch	Aug-08	5412	5414	3	Open
Wasatch	Aug-08	5589	5600	3	Open
Wasatch	Aug-08	5886	5888	2	Open
Wasatch	Aug-08	6011	6024	3	Open
Wasatch	Aug-08	6178	6188	4	Open
Wasatch	Aug-08	6384	6387	3	Open
Wasatch	Aug-08	6407	6410	3	Open
Wasatch	Aug-08	6456	6458	3	Open
Wasatch	Aug-08	6508	6512	4	Open
Wasatch	Aug-08	6982	6992	4	Open
Mesaverde	Jan-08	7357	7359	3	Open
Mesaverde	Jan-08	7419	7421	3	Open
Mesaverde	Jan-08	7444	7450	4	Open
Mesaverde	Jan-08	7498	7501	3	Open
Mesaverde	Jan-08	7660	7670	3	Open
Mesaverde	Jan-08	7720	7723	4	Open
Mesaverde	Jan-08	7898	7908	3	Open
Mesaverde	Jan-08	8010	8014	4	Open
Mesaverde	Jan-08	8670	8680	3	Open
Mesaverde	Jan-08	8746	8751	3	Open
Mesaverde	Jan-08	8898	8908	3	Open
Mesaverde	Jan-08	9070	9073	4	Open

WELL HISTORY:

- Well Spud 10/30/07, TD'd 11/30/07
- 1/15/08 - Completed MV f/ 7357' - 9073' with 251,390# 30/50 sand and 7237 bbls slickwater fluid in 5 stages.
- 1/20/08 - 1st Sales, 5776 Mcfd, 480 Bwpd, CP 1177#, TP 403#, ck 20/64"
- 8/13/08 - Recompleted to Was f/ 5412' - 6992' with 181,760# 30/50 sand and 5119 bbls slickwater fluid in 5 stages.
- 8/16/08 - RTP, 2086 Mcfd, 480 Bwpd, CP 1793#, FTP 1046#, ck 18/64"
- Requested TA status on 2/17/10



NBU 1021-2J PLUG & ABANDONMENT PROCEDURE

GENERAL

- H₂S MAY BE PRESENT. CHECK FOR H₂S AND TAKE APPROPRIATE PRECAUTIONS.
- CEMENT QUANTITIES BELOW ASSUME NEAT CLASS G, YIELD 1.145 CUFT./SX. IF A DIFFERENT PRODUCT IS USED, WELLSITE PERSONNEL ARE RESPONSIBLE FOR CORRECTING QUANTITIES TO YIELD THE STATED SLURRY VOLUME. WHEN SQUEEZING, INCLUDE 10% EXCESS PER 1000' OF DEPTH.
- TREATED FRESH WATER WILL BE PLACED BETWEEN ALL PLUGS INSTEAD OF BRINE.
- ALL DISPLACEMENT FLUID SHALL CONTAIN CORROSION INHIBITOR AND BIOCIDES. PREMIX 5 GALLONS PER 100 BBLs FLUID.
- NOTIFY UDOGM 24 HOURS BEFORE MOVING ON LOCATION.

PROCEDURE

Note: An estimated 174 sx Class "G" cement needed for procedure

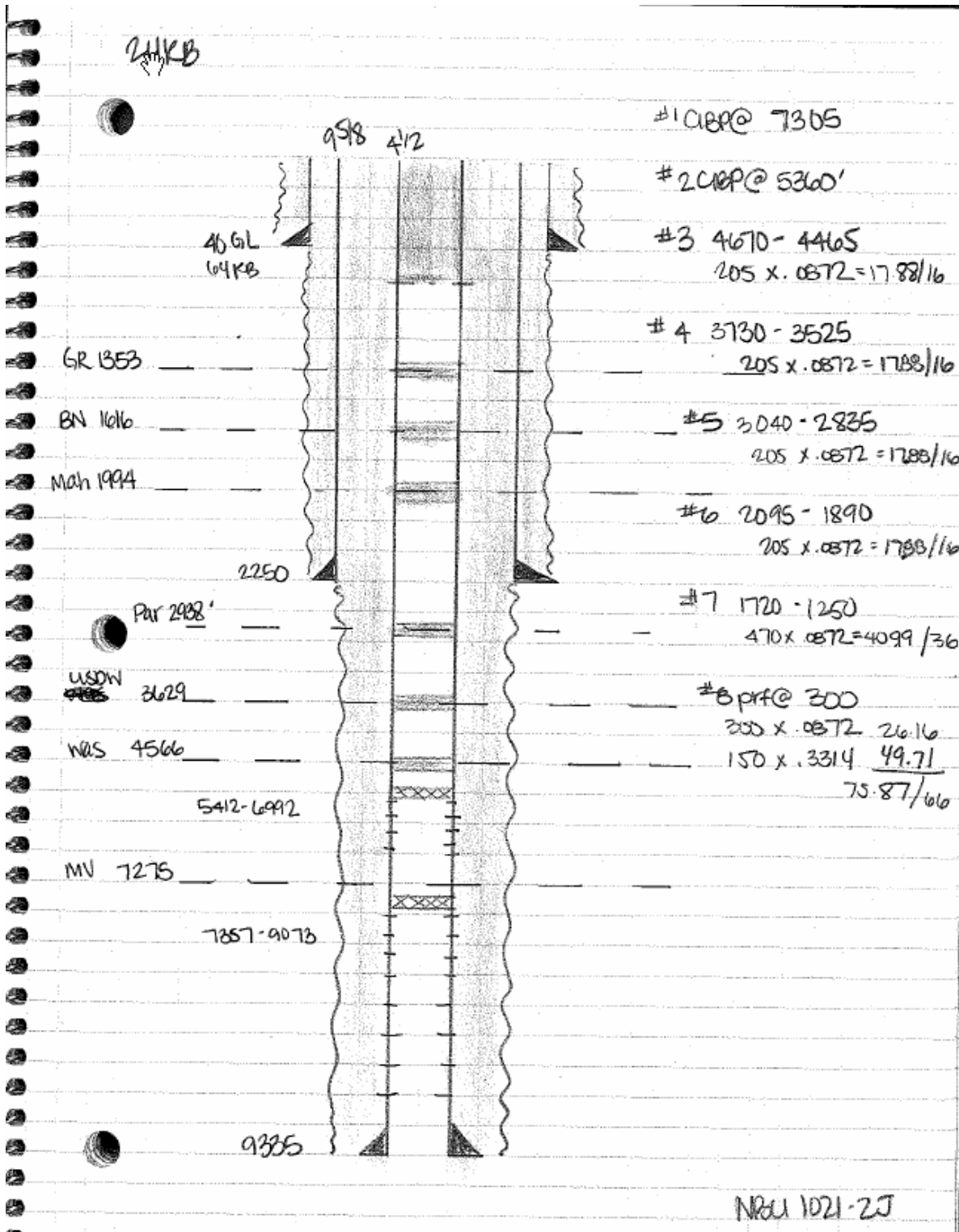
Note: No gyro has been run as of 5/27/10

1. MIRU. KILL WELL AS NEEDED. ND WH, NU AND TEST BOPE.
2. PULL TBG & LD SAME. RU WIRELINE AND MAKE A GAUGE RING RUN TO CHECK FOR FILL AND PREP FOR GYRO.
3. RUN GYRO SURVEY.
4. **PLUG #1, ISOLATE MESAVERDE PERFORATIONS (7357' - 9073'):** RIH W/ 4 1/2" CIBP. SET @ ~7305'. RELEASE CIBP, PUH 10', BRK CIRC W/ FRESH WATER. DISPLACE A MINIMUM OF 4.36 CUFT CMT (~4 SX) ON TOP OF PLUG. PUH ABOVE TOC (~7255'). REVERSE CIRCULATE W/ TREATED BRINE.
5. **PLUG #2, ISOLATE WASATCH PERFORATIONS (5412' - 6992'):** RIH W/ 4 1/2" CIBP. SET @ ~5360'. RELEASE CIBP, PUH 10', BRK CIRC W/ FRESH WATER. DISPLACE A MINIMUM OF 4.36 CUFT CMT (~4 SX) ON TOP OF PLUG. PUH ABOVE TOC (~5310'). REVERSE CIRCULATE W/ TREATED BRINE.
6. **PLUG #3, PROTECT TOP OF WASATCH (4566'):** PUH TO ~4670'. BRK CIRC W/ FRESH WATER. DISPLACE 17.88 CUFT. (~16 SX) AND BALANCE PLUG W/ TOC @ ~4465' (205' COVERAGE). PUH ABOVE TOC. REVERSE CIRCULATE W/ TREATED BRINE.
7. **PLUG #4, PROTECT BASE OF USDW (~3629'):** PUH TO ~3730'. BRK CIRC W/ FRESH WATER. DISPLACE 17.88 CUFT. (~16 SX) AND BALANCE PLUG W/ TOC @ ~3525' (205' COVERAGE). PUH ABOVE TOC. REVERSE CIRCULATE W/ TREATED BRINE.
8. **PLUG #5, PROTECT BASE OF PARACHUTE (~2938'):** PUH TO ~3040'. BRK CIRC W/ FRESH WATER. DISPLACE 17.88 CUFT. (~16 SX) AND BALANCE PLUG W/ TOC @ ~2835' (205' COVERAGE). PUH ABOVE TOC. REVERSE CIRCULATE W/ TREATED BRINE.
9. **PLUG #6, PROTECT TOP OF MAHOGANY (1994'):** PUH TO ~2095'. BRK CIRC W/ FRESH WATER. DISPLACE 17.88 CUFT. (~16 SX) AND BALANCE PLUG W/ TOC @ ~1890' (205' COVERAGE). PUH ABOVE TOC. REVERSE CIRCULATE W/ TREATED BRINE.
10. **PLUG #7, PROTECT TOP OF BIRD'S NEST (~1616') & TOP OF GREEN RIVER (1353'):** PUH TO ~1720'. BRK CIRC W/ FRESH WATER. DISPLACE 40.99 CUFT. (~36 SX) AND BALANCE PLUG W/ TOC @ ~1250' (470' COVERAGE). PUH ABOVE TOC. REVERSE CIRCULATE W/ TREATED BRINE.
11. **PLUG #8, SURFACE HOLE:** POOH W/ TBG. RIH W/ WIRELINE, PERFORATE @ 300' W/ 4 SPF. POOH W/ WIRELINE. RU CEMENT SERVICE TO PROD CSG. PUMP 75.87 CUFT. (~66 SX) OR SUFFICIENT VOLUME TO FILL ANNULUS AND CASING TO SURFACE.

12. CUT OFF WELLHEAD AND INSTALL MARKER PER BLM GUIDELINES.

13. RDMO. TURN OVER TO OPERATIONS FOR SURFACE REHAB.

ALM 5/27/10



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-13826
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1021-2J
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1868 FSL 1998 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 02 Township: 10.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047388440000
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/25/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> ALTER CASING	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> FRACTURE TREAT	
	<input checked="" type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> OTHER:	
	<input type="checkbox"/> CASING REPAIR	
	<input type="checkbox"/> CHANGE WELL NAME	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> APD EXTENSION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
THE OPERATOR CONCLUDED PLUG AND ABANDONMENT OPERATIONS ON THE SUBJECT WELL ON 6/25/2010. THIS WELL IS NOW PLUGGED AND ABANDONED. PLEASE SEE ATTACHED PLUG AND ABANDONMENT CHRONOLOGICAL WELL HISTORY.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY June 29, 2010		
NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 6/28/2010	

US ROCKIES REGION
Operation Summary Report

Well: NBU 1021-2J

Spud Date: 11/23/2007

Project: UTAH-UINTAH

Site: NBU 1021-2J

Rig Name No: DOUBLE HOOK/UNK

Event: ABANDONMENT

Start Date: 6/21/2010

End Date: 6/25/2010

Active Datum: RKB @5,128.99ft (above Mean Sea Leve

UWI: NBU 1021-2J

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
6/21/2010	7:00 - 7:15	0.25	ABAND	48		P		JSA= RIG UP RIG
	7:15 - 20:00	12.75	ABAND	30		P		RD RIG & MOVE RIG & EQUIP FROM NBU 922-18K2 TO NBU 1021-2J SPOT RIG & EQUIP, RU RIG PUMP 30 BBLS TMAC DWN ANN. & 20 BBLS DOWN TUB TO CONTROL WELL ND WELLHEAD NU BOPS, RU PRS TO SCAN TUBING, POOH W/ 218 JNTS, 172 JNTS WERE YELLOW BAND, 1 JNT OF BLUE BAND, 45 JNTS RED BAND, RD SCANNERS, RD FLOOR & TUBING EQUIP, RU MULTI SHOT RIH W/ GYRO @ 4900' IN HOLE LINE PARTED LOST TOOLS & 4900' LINE, BRING DELSCO IN TO FISH. PU WIRE FINDER RIH WORK DOWN TO 8500' WORK SLICKLINE UP & DOWN FOR 2 HOURS POOH NO FISH
6/23/2010	7:00 - 7:30	0.50	ABAND	48		P		HSM, WORKING W/ SLICK LINE TRUCK TO FISH WIRE.
	7:30 - 18:30	11.00	ABAND	35	D	P		SICP 650 # PSI, BLEW DWN WELL KILL W/ 40 BBLS 2% RU SUPERIOR SLICK LINE TRUCK, RIH W/ 4" OD ALLIGATOR SPEAR TO 8500' NOTHING TAGGED, RIH W/ WIRE LINE LOCATOR W/ SPEAR TAG UP 4334' WORK TOOL GAINED WEIGHT, POOH CLAMED OFF WIRE, RU SHIVES PULL WIRE L/D GYRO TOOLS, WAIT ON 2ND TRK, SPOOL OFF WIRE, RU RUN GYRO TO 6500', POOH RD SLICK LINE, SWI SDFN. 130 BBLS TOTAL WTR PUMPED.
6/24/2010	7:00 - 7:30	0.50	ABAND	48		P		HSM, RIGGING UP AND WORKING W/ WIRE LINE TRUCK.
	7:30 - 18:30	11.00	ABAND	34	I	P		SICP 300 PSI, BLEW DWN WELL & KILL W/ 30 BBLS 2%, RU CASSED HOLE, RIH W/ 41/2" GAUGE RING TO 7350', POOH RIH SET 41/2" CIBP @ 7308', POOH DUMP BAIL 8 SKS CMT ON PLUG 3 RUNS. RIH SET CIBP @ 5362', FILL & TEST CSG TO 500 # PSI OK. RIH DUMP BAIL 8 SKS CMT ON PLUG 3 RUNS POOH. RIH N/C & 168 JTS 2-3/8 J-55, EOT @ 5293', RU PRO PETRO DISPLACE HOLE TO FILL HOLE W/ BRINE, LD 20 JTS TBG EOT @ 4661', PUMP 2.6 BBLS FRESH WTR, 3.3 BBLS 15.8# 1.15 YEILD G CMT, 1 BBLS FRESH WTR, DISPLACE W/ 16.1 BBLS OF 10 # BRINE, LD 29 JTS EOT @ 3749' REVERSE TBG 1-1/2 TIMES, 22.5 BBLS, SWI SDFN. EOT @ 3749 W/ 119 JTS.
6/25/2010	7:00 - 7:30	0.50	ALL	48		P		HSM, REVIEW JSA # 6

US ROCKIES REGION
Operation Summary Report

Well: NBU 1021-2J

Spud Date: 11/23/2007

Project: UTAH-UINTAH

Site: NBU 1021-2J

Rig Name No: DOUBLE HOOK/UNK

Event: ABANDONMENT

Start Date: 6/21/2010

End Date: 6/25/2010

Active Datum: RKB @5,128.99ft (above Mean Sea Leve

UWI: NBU 1021-2J

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	7:30 - 15:00	7.50	ALL	51	D	P		<p>SICP. O PSI. SITP. 0 PSI. EOT @ 3749', PUMP 2.6 BBLS TREATED FRESH WTR, 3.3BBLS 15.8# 1.15 YIELD CLASS G CMT, 1 BBL TREATED FRESH WTR, DISPLACE W/ 12.5 BBLS 10# BRINE, LD 23 JTS EOT @ 3028', PUMP 2.6 BBLS TREATED FRESH WTR, 3.3 BBLS 15.8# 1.15 YIELD CLASS G CMT, 1 BBL TREATED FRESH WTR, DISPLACE W/ 9.8 BBLS 10# BRINE, LD 30 JTS EOT @ 2086', PUMP 2.6 BBLS FRESH, 3.3 BBLS 15.8# 1.,15 YEIL CLASS G CMT, 1 BBL FRESH, DISPLACE W/ 6.1 BBLS BRINE, LD 12 JTS, EOT @ 1711' PUMP 2.6. FRESH, 7.4 BBLS 15.8# 1.15 YIELD CLASS G CMT, 1 BBL FRESH, DISPLACE 3.6 BBLS BRINE, LD REMAINING 54 JTS, NC, RU CASED HOLE SOLUTIONS, RIH TO 300' PERFORATE 4 SPF, POOH RU PRO PETRO BROKE DWM PERFS, @ 1800 PSI, @ 1.3 BPM, PUMP 26 BBLS NO RETURNS, RD WIRELINE, ND BOPS, NU WH, RD RIG, PUMPED 18 BBLS 15.8# 1.15 YIELD W/ 2% CACL, 1500 PSI, DUG WELL HEAD, CUT WH & CSG OFF, CMT WAS TO SURFACE & 4-1/5 CMT ALSO, WELD MARKER PLATE, WELL IS P & A WELL HEAD HAULED TO WEATHERFORD. MOVE TO NBU 922-18C4BS.</p> <p>172 JTS 2-3/8 J-55 YELLOW BAND 46 JTS 2-3/8 J-55 RED BAND (JUNK) HAUL TO B&C YARD.</p>